Valley Water



Operating and Capital Budget

FY 2019-20

Santa Clara Valley Water District

Adopted
Fiscal Year 2019-20
Annual Budget

BOARD OF DIRECTORS

Linda J. LeZotte
Chair, District 4

John L. Varela
District 1

Barbara F. Keegan
District 2

Richard P. Santos
District 3

Nai Hsueh
Vice Chair, District 5

Tony Estremera
District 6

Gary Kremen
District 7

Submitted by

Norma Camacho
Chief Executive Officer

Valley Water

Santa Clara Valley Water District

Adopted
Fiscal Year 2019-20 Annual Budget

Prepared by

Darin Taylor
Chief Financial Officer

Charlene Sun
Treasury and Debt Officer/Acting Budget Manager

And the following members of the FY2019-20 budget team:

Jennifer Abadilla

Joan Arends

Timothy Chan

Phyllis Chen

Stacy Klopfer

Agnes Lee

K. Anthony Mendiola

Tony Sandhu

Chenlei Yao

Executive Review Committee

Norma Camacho, Nina Hawk, Melanie Richardson,
Rick Callender, Tina Yoke

Santa Clara Valley Water District

Adopted
Fiscal Year 2019-20 Annual Budget

Recognitions

Benjamin Apolo III
Meenakshi Ganjoo
Hector Fuentes
Jonathan Gilmore
Mike Heller
Haley Martin
Jennifer Martin
Marie Martinez
Steve Peters
Beth Redmond
Ru Sia
Prachi Tara
Cheryl Togami
Toni Vye
Linda Yang

Budget Transmittal Letter for 2019-20

May 14, 2019

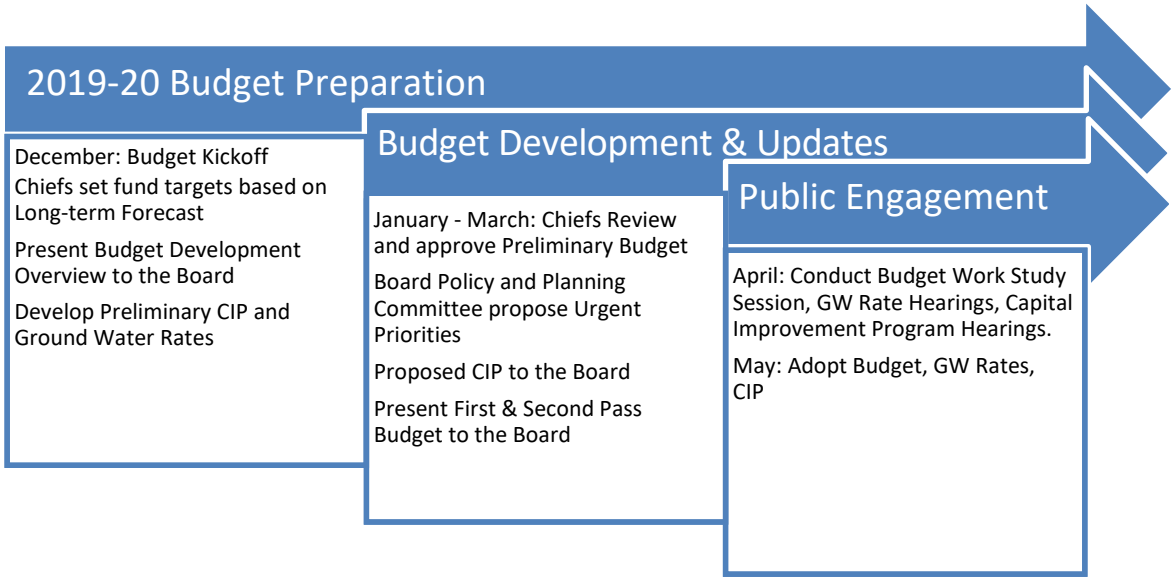
Honorable Members of the Board of Directors of the Santa Clara Valley Water District:

In accordance with the District Policy, I am submitting the Fiscal Year 2019-20 (FY 2019-20) Adopted Budget for the Santa Clara Valley Water District (Valley Water). The adopted budget represents Valley Water's mission of providing Silicon Valley safe, clean water for a healthy life, environment, and economy. It also provides a comprehensive financial plan that includes a forecast of operating and non-operating revenues and expenditures; financing of long-term capital improvement plans to support infrastructure needs; and funding for the repayment of long-term debt.

Financial Overview

The accounts of Valley Water are organized based on fund types and account groups. Each fund is an independent accounting entity with a self-balancing set of accounts comprised of its assets, liabilities, fund equity, revenue, and expenditures or expenses, as appropriate. Fund accounting allows government resources to be segregated and accounted for per their intended purposes, aiding management in demonstrating compliance with finance-related legal and contractual provisions.

The budget development process begins in December of each year and concludes on June 30, with the posting of the budget. The budget development process for FY 2019-20 includes several process improvements and numerous public hearings, as well as input from the Board on urgent priorities and strategies for the upcoming fiscal year.



Valley Water Board Priorities

In developing the budget, the Board directed its Board Policy and Planning Committee (Committee) to identify and summarize the Board's strategies. This budget is the culmination of the Committee's final recommendation, which ultimately resulted in Board action to accept and adopt the Committee's recommendation. In developing this budget, management identified where resources could shift and scrutinized additional funding requests that would help the organization achieve results.

This adopted budget demonstrates a fiscally responsible, balanced budget that meets the community's expectations of Valley Water. This budget was developed based on the Board's FY 2019-20 strategies highlighted below:

1. Actively participate in decisions regarding the **California Delta Conveyance Project.**
2. Pursue opportunities to **expedite regulatory permit processes and streamline** permit reviews.
3. Attain net **positive impact on the environment** when implementing flood protection and water supply projects.
4. Advance the **Anderson Dam Seismic Retrofit** Project
5. Lead **recycled and purified water** efforts with the City of San José and other agencies
6. Finalize the **Fisheries and Aquatic Habitat Collaborative Effort (**FAHCE)
7. Actively pursue efforts to increase **water storage** opportunities
8. Ensure **Emergency Action Plans and flood preparedness measures** are provided jointly with local cities, for Flood Hot Spots throughout the County.
9. **Engage and educate** the community, local elected officials and staff on future water supply strategies in Santa Clara County.
10. Promote the **protection of creeks, bay, and other aquatic ecosystems** from threats of pollutions and degradation.
11. Diversity and inclusion, succession planning, and long-term resource planning strategy (TBD**)**
12. Affordable and effective cost of service strategy (TBD).

Valley Water is responding to these challenges in several ways, including expanded efforts possible with the proposed addition of 18 new positions discussed in detail in the following sections.

The organization will incorporate specific activities that address the Board's urgent priorities into its workplan and periodically update the Board Policy and Planning Committee and the full Board throughout the fiscal year and bring adjustments back to the Board if needed.

Revenue

The FY 2019-20 budget includes projected revenues of approximately $501.8 million. These revenues are a net increase of $53.9 million (12%) from the $448.0 million included in the FY 2018-19 adopted budget. The net $53.9 million increase is primarily derived from higher water revenue ($31.2 million), 1% ad valorem property taxes ($8.1 million), and special parcel tax ($1.5 million), capital reimbursement revenue ($9.7 million), interest and other operating and non-operating revenues ($4.7 million), and offset by a net decrease of Benefit Assessment revenues (-$1.3 million).

Appropriations/Outlays

Net total operating and capital outlays for the FY 2019-20 budget is $528.9 million. This figure does not include capital carry forward appropriated by the Board in prior years and is net of General Fund intra-district reimbursements and Internal Service Funds charges.

Operating Outlays

FY 2019-20 appropriations for operating outlays are $405.3 million, an increase of $15.0 million compared to the FY 2018-19 adopted budget. The increase in net outlays reflects continued efforts to maintain service levels that support key strategic objectives and the Board's end policies.

Capital Outlays

FY 2019-20 capital project appropriations total $204.5 million, a decrease of $0.6 million compared to the FY 2018-19 adopted budget. It is anticipated that $71.2 million of the FY 2018-19 adjusted budget for capital projects will be carried forward into FY 2019-20 as most capital improvement projects will require multiple years to complete. The capital budget represents the projects that have been identified and prioritized in the Five-Year Capital Improvement Program (CIP).

Intra-district Reimbursements

The primary funding sources for the General Fund and Service Funds are intra-district reimbursements. For FY 2019-20, the total is $80.8 million. Intra-district charges reimburse the General Fund and Service Funds for functions such as finance, accounting, payroll, human resources, information technology, facilities, organizational leadership, and fleet management.

Other Financing Sources/Uses

Other financing sources and uses include proceeds from debt issuance to fund capital improvement projects. For FY 2019-20, Valley Water anticipates issuing approximately $59.6 million in debt to finance various Water Utility capital improvement projects.

Reserves

There are ten major restricted reserves used at Valley Water and the detail information is included in the Reserve Policy and Fund Balances section of the summary budget document. The Water Utility Enterprise Fund had seven restricted reserves prior to FY 2019-20: Rate Stabilization Reserve for Bond Covenant, San Felipe Emergency Reserve, Silicon Valley Advanced Water Purification Center Reserve, Supplemental Water Supply Reserve, Drought Reserve, State Water Project Tax Reserve, and Public-Private Partnership (P3) Reserve.

Staff is proposing to add an eighth restricted reserve - Guiding Principal #5 (GP5) Reserve. This reserve would set-aside Board-approved funds to finance various water conservation related programs for communities and agencies who currently pay State Water Project tax but receive 85% of their water supplies from non-Valley Water managed sources. The GP5 reserve will be established in FY 2019-20 as a sub-category of the Rate Stabilization Reserve to set aside the unspent/unencumbered balances approved by the Board in FY 2018-19. Per the Water Utility Parity System Master Resolution No. 16-10 adopted by the Board on February 23, 2016, the GP5 reserve must be accounted as a sub-category of the Rate Stabilization Reserve to allow this one-time source of funds, which may be utilized in future years, to be included in the debt service coverage calculation in the future year(s) when the funds are expended. Without this accounting mechanism, Valley Water's future debt service coverage

ratio, as reported in future debt issuance Official Statements as well as the Annual Continuing Disclosure reports, will be lower to the extent that a non-current source of funds (GP5 reserve) is used to pay for a current expenditure. The Safe, Clean Water Fund has two restricted reserves: Currently Authorized Projects Reserve, and Operating and Capital Reserve.

Valley Water has four major committed reserves. The committed reserves are Liability/Workers' Compensation Self-Insurance Reserve - Risk Fund, Property Self-Insurance/Catastrophic Reserve - Risk Fund, Operating & Capital Reserve (not including Safe, Clean Water & Natural Flood Protection Fund), and Currently Authorized Projects Reserve (not including Safe, Clean Water & Natural Flood Protection Fund).

Overall, budgeted reserves for FY 2019-20 are estimated at $342.9 million, an increase of $8.9 million compared to the FY 2018-19 budget. The increase is in the restricted portion of Water Enterprise fund ($8.6 million), committed portion of the Water Enterprise Funds ($13.4 million), Watershed Stream Stewardship fund ($5.6 million), and Internal Service Funds ($4.9 million). The decrease is in the restricted portions of Safe, Clean Water & Natural Flood Protection Funds (-$23.3 million) and Committed General Fund reserve (-0.3 million).

($ in Thousands)	Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from Adopted $ Diff	Change from 2018-19 % Diff
Restricted Reserves						
Safe, Clean Water & Natural Flood Protection Fund	136,612	139,404	126,430	116,073	(23,331)	(17%)↓
Water Enterprise Funds	58,467	56,919	63,157	65,529	8,610	15%↑
Subtotal	**195,079**	**196,323**	**189,587**	**181,602**	**(14,721)**	**(7%)↓**
Committed Reserves						
General Fund	3,934	4,565	2,767	4,318	(247)	(5%)↓
Watershed Stream Stewardship Fund	113,673	76,588	99,220	82,195	5,607	7%↑
Water Enterprise Funds	62,496	43,878	62,252	57,267	13,389	31%↑
Internal Service Funds	33,079	12,640	27,701	17,500	4,860	38%↑
Subtotal	**213,182**	**137,671**	**191,940**	**161,280**	**23,609**	17%↑
Grand Total	**408,261**	**333,994**	**381,527**	**342,882**	**8,888**	**3%↑**

Debt Overview

The FY 2019-20 debt portfolio total outstanding principal of $753 million includes $74 million for Watersheds, $575 million for the Water Utility Enterprise, and $104 million of Commercial Paper for Safe, Clean Water & Natural Flood Protection and Water Utility Enterprise projects. Annual debt service budget of $59 million includes repayment of principal, interest and various banking and legal fees for the debt portfolio.

Valley Water's debt management strategy includes the use of a short-term Commercial Paper (CP) Program with a maximum program capacity of $150 million, supported by a $150 million Letter of Credit (LOC) from Bank of Tokyo Mitsubishi UFJ, LTD.

The long-term strategy is to issue CP to provide short-term funding for capital expenditures. As

the outstanding CP reaches the program capacity, the outstanding CP is refunded with long-term debt to be repaid over the remaining of life of the assets. For the Water Utility Program, the issuance of long-term debt helps keep water charges stable over the long-term while resulting in inter-generational equity and allows for the completion of capital projects in a timely manner. The long-term financial forecast model shows that the Water Utility finances will be healthy despite the issuance of debt, assuming that forecasted water charges increases are implemented.

For the Safe, Clean Water Program, issuing debt allows the projects to be completed earlier as it bridges the timing difference between when the voter approved special parcel tax revenues are collected versus the desired project delivery schedule based on the Board approved CIP. The Safe, Clean Water special parcel tax was approved by voters on November 6, 2012 and has a sunset date of June 30, 2028.

Valley Water proactively manages its debt portfolio to ensure access to the credit markets at the lowest available borrowing cost, preserve strong credit standing with the municipal rating agencies, fulfill its fiduciary responsibility to its customers, and provide high quality water service, stream stewardship and flood protection at the lowest possible cost.

Bond Ratings

The bond ratings for Valley Water outstanding debt reflect a high-grade investment quality debt. They are based on Valley Water's positive fiscal policy and financial strengths. In FY 2018-19, the Standard & Poor rating agency upgraded the Watershed Stream's debt rating from AA+ to AAA. The bond ratings are either the highest for a water related governmental entity in the State of California or among the highest. Bonds issued at this credit rating result in lower interest rates and corresponding lower debt service payments.

Please see table below for ratings going into FY 2019-20.

	Water Utility		Watershed
	Senior Debt	Parity Debt	Debt
Moody's	Aa1	Aa1	Aa1
Standard & Poor's	AA-	N/A	AAA
Fitch	AA+	AA+	AA+

Staffing

The FY 2019-20 Adopted Budget includes 842 regular positions and 4 fellowships, an increase of 18 positions from the FY 2018-19 Adjusted Budget. The new positions' net cost totals $3.2 million. The new positions would support Valley Water's in-house construction management program, support Water Utility field and facility maintenance activities, and augment resources for various State and Federal compliance and reporting requirements. In addition, the new positions would work on various Board priorities and strategies as well as support a variety of operations and operating projects. For a comprehensive schedule of district-wide salaries and benefits, please refer to the Salaries & Benefits in the "Financial Overview" section of the FY 2019-20 Operating and Capital Budget document.

Position Count by Organization Area

	Regular Positions				
	Adopted Budget 2017-18	**Adjusted Budget 2018-19**	**Adopted Budget 2019-20**	**Change from 2018-19**	**% Change from 2018-19**
Board Appointed Officers*	35	103	104	1	1.0%↑
External Affairs	28	35	36	1	2.9%↑
Water Utility**	332	341	341	0	NA
Watersheds**	219	223	239	16	7.2%↑
IT & Administration***	195	122	122	0	NA
Total Authorized Positions ****	**809**	**824**	**842**	**18**	**2.2%↑**

*Board Appointed Officers include Office of the Chief Executive Officer, District Counsel and Clerk of the Board

**Total 2019-20 positions reflect the Water Utility and Watershed Fund's staff reorganization implemented in April 2019.

***In 2018-19, Human Resources Division was merged from IT & Administration with the Office of the CEO.

****The four Fellowship positions (a pilot program) are not included in the Total Authorized Positions.

Financial Outlook

Valley Water maintains long-term financial models that help smooth out water charges over time, and inform funding decisions. The future financial health of the organization looks strong as measured by projected reserve levels at or above minimums per policy (despite a lower water charge projection versus prior year in both groundwater benefit zones for the Water Utility). Valley Water is planning to invest over $3.3 billion over the next ten years to repair and modernize dams, treatment plants, and pipelines that provide reliable water supply to the county. Key capital projects include Anderson Dam Seismic Retrofit, which will help ensure public safety and bolster future water supply reliability, the Pacheco Reservoir Expansion, which will provide additional emergency water supply, and the Rinconada Water Treatment Plant Upgrade, which will extend the plant's service life for the next 50 years. Over $600 million is planned to be invested over the next ten years for flood protection and environmental stewardship.

This FY 2019-20 Adopted Operating and Capital budget positions the organization well to deliver much needed services and facility improvements to the community over the next decade.

Sincerely,

Norma Camacho
Chief Executive Officer

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Santa Clara Valley Water District

California

For the Fiscal Year Beginning

July 1, 2018



Executive Director

Table of Contents

Chapter 1 - Budget in Brief

Budget in Brief 1-1

Chapter 2 - Valley Water Overview

Overview 2-1

Chapter 3 - Financial Overview

Introduction 3-1
Major Sources of Revenues 3-13
Salaries and Benefits 3-29
Debt Service 3-33
Reserve Policy and Fund Balances 3-39

Chapter 4 - Ends Policies and Outcomes

Introduction 4-1
E2 — Reliable, clean water supply for current and future generations 4-10
E3 — Healthy and safe environment for residents, businesses, and visitors, as well as for future generations 4-14
E4 — Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County. 4-17
SS — Support Services 4-20
DS — Debt Service 4-27
Ends Policies and Objectives 4-29

Chapter 5 - Division Summary

Valley Water Organizational Chart 5-2
Board Appointed Officers 5-4
External Affairs 5-34
Watersheds 5-41
Water Utility 5-69
Administrative Services 5-105

Table of Contents

Chapter 6 - Fund Summaries

Watershed Management Funds 6-1
Water Enterprise and State Water Project Funds 6-33
District General Fund 6-67
Service Funds 6-79

Chapter 7 - Resolutions

Resolutions 7-1

Chapter 8 - Appendices

Appendix A - Glossary 8-1



Budget in Brief

FY 2019-20

Operating and Capital Budget

Budget in Brief

Budget in Brief

Budget in Brief chapter will be published at a future date.



District Overview

FY 2019-20

Operating and Capital Budget

Valley Water Overview

The Santa Clara Valley Water District (Valley Water) is the largest multi-purpose water supply, watershed stewardship and flood management special district in California. Valley Water serves nearly two million people in Santa Clara County by providing a reliable and safe supply of water; enhancing streams and watersheds through creek restoration and habitat protection; providing flood protection for homes, schools and businesses; and partnering with other agencies to provide trails, parks and open space for community recreation.

Valley Water's unique multi-purposes enables it to use a comprehensive regional approach to water resources management and environmental protection that would not be possible if these services were fragmented among several agencies.

As the primary water resources agency for Santa Clara County, Valley Water encompasses all of the county's 1,300 square miles and serves the area's 15 cities: Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga and Sunnyvale. Valley Water also serves the unincorporated areas of the county.

Collaboration with the community we serve is not only important, but has proven to result in more successful outcomes. By seeking public input, Valley Water is respecting the fact that our operations and projects have a direct impact on people's lives.

Community action created the District, when farmers and business representatives formed the Santa Clara Valley Water Conservation Committee in the 1920s. At that time, groundwater supplies were being over-pumped, causing the land to subside, or sink. The committee pursued creation of an organization to manage and replenish groundwater supplies, and the resulting Santa Clara Valley Water Conservation District later constructed reservoirs throughout the county to conserve water. The 1929 Santa Clara Valley Water District Act gives Valley Water its authority to operate as a state special district, with jurisdiction throughout Santa Clara County.



Our mission is to provide Silicon Valley safe, clean water for a healthy life, environment, and economy.

The District Act authorizes Valley Water to: "…provide comprehensive water management for all beneficial uses and protection from flooding within Santa Clara County. Valley Water may take action to carry out all of the following purposes:

(a) to protect Santa Clara County from flood and storm waters of the district, including tidal flood waters and the flood and storm waters of streams that have their sources outside the district, but flow into the district;

(b) to protect from those flood or storm waters the public highways, life and property in the district, and the watercourses and watersheds of streams flowing within the district;

(c) to provide for the conservation and management of flood, storm, reclaimed, or recycled waters, or other waters from any sources within or outside the watershed in which the district is located for beneficial and useful purposes, including spreading, storing, retaining, and causing the waters to percolate into the soil within the district;

(d) to protect, save, store, recycle, distribute, transfer, exchange, manage, and conserve in any manner any of the waters;

(e) to increase, and prevent the waste or diminution of, the water supply in the district;

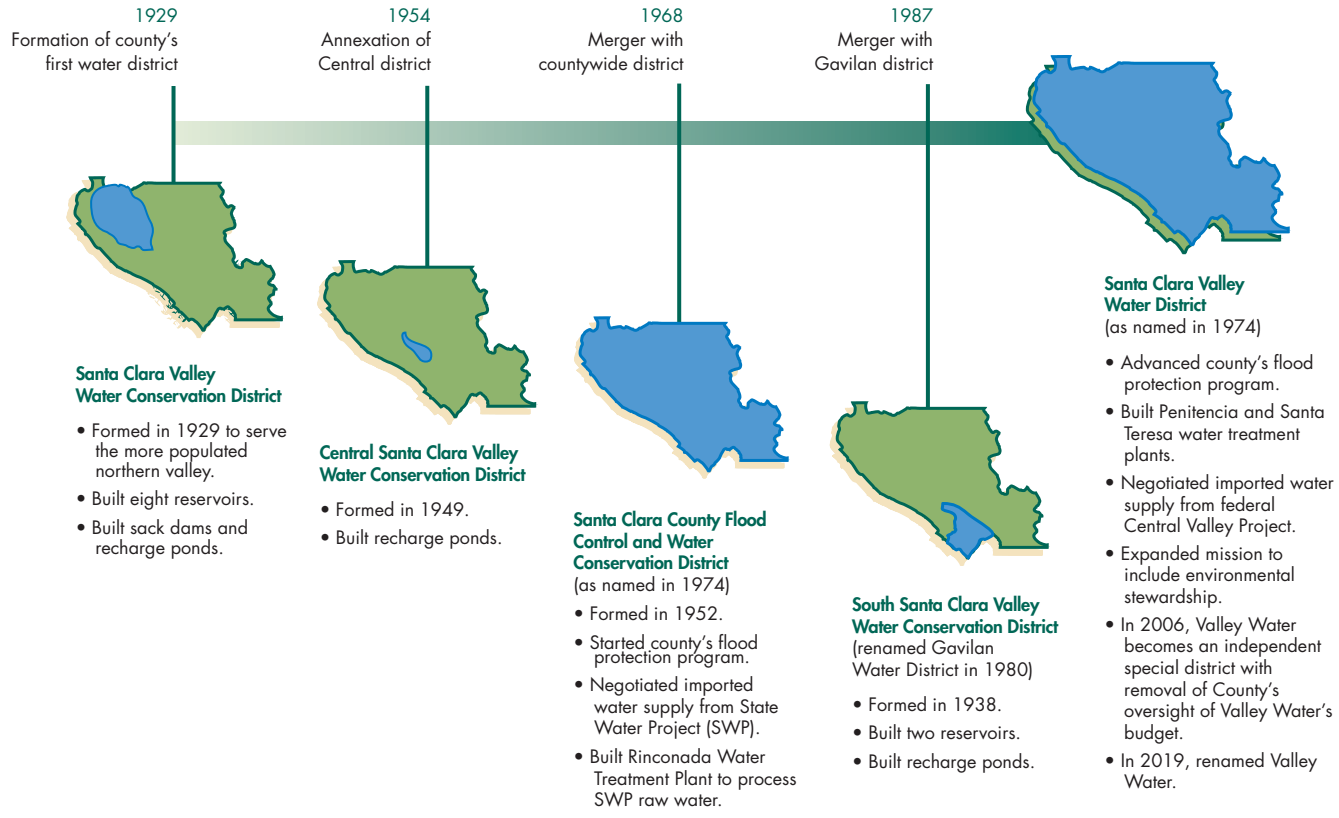
(f) to obtain, retain, reclaim, protect, and recycle drainage, storm, flood waters or treated wastewaters, or other waters from any sources, within or outside the watershed in which Valley Water is located for any beneficial uses within the district;

(g) and to enhance, protect, and restore streams, riparian corridors, and natural resources in connection with carrying out the objects and purposes set forth in this section."

Governance and Board of Directors

The District Act outlines the structure, function and operations of Valley Water's Board of Directors, which governs the District and directs the Board Appointed Officers. Valley Water's Board of Directors is comprised of seven members each elected from equally-divided districts drawn through a formal process. The purpose of the Board, on behalf of Santa Clara County, is to provide Silicon Valley safe, clean water for a healthy life, environment and economy. The directors serve overlapping four-year terms, a structure created pursuant to the adoption of the District Act. Elections are held in November of even number years.

Evolution of the Santa Clara Valley Water District



Today's Santa Clara Valley Water District is the result of the consolidation of four agencies over time, as shown above. Valley Water's products and services have grown along with its increased levels of responsibility for critical water resource and environmental management functions.

Valley Water Overview

The Board elects a new chair and vice-chair annually in January.

The Board sets direction for Valley Water through its policy governance structure. Through adopted policies, the Board determines Valley Water's mission and goals and outcomes to be achieved for the good of the public. Specifically, the Board's Ends policies are the outcomes expected to be achieved by the organization for its customers. These include ensuring a safe, reliable source of water; flood protection; and environmental stewardship. The CEO dedicates resources to implement programs and projects that achieve the Board's Ends policies.

In meeting the Board's Ends policies, the CEO and other Board Appointed Officers (BAOs) are solely accountable to the Board for organizational performance, which is monitored quarterly. The Board annually reviews and updates Ends and Executive Limitations policies to ensure they reflect the Board's collective values and perspectives. The Board's Policies can be viewed at **https://www.valleywater.org/how-we-operate/board-governance-policies**

Board directorial districts



History Timeline

For 90 years, Valley Water has improved and expanded its products and services to meet the growing needs of Santa Clara County residents

Early 1900s

Nearly 14,000 acres of orchards and vineyards are under irrigation in Santa Clara Valley. Local farmers begin noticing a significant drop in well water levels.

1920s

Concern over land subsidence from overpumping the groundwater basin leads farmers and business leaders to push for the formation of the Santa Clara Valley Water Conservation Committee.

1929: The Santa Clara Valley Water Conservation District is formed by the State Legislature.

1930s

Calero, Almaden, Guadalupe, Vasona, Stevens Creek and Coyote reservoirs are completed. Recharging of the underground aquifers begins.

1931, 1937 and 1938: Floods occur in the midst of drought and land subsidence.

1940s

Explosive post-war population growth.

1940-46: Major drought. Land subsidence worsens in north San Jose due to overpumping. Voters pass construction bonds for Lexington and Anderson dams for water storage and percolation.

1940, 1942 and 1943: Floods occur in the midst of drought and land subsidence.

1950s

Increased growth shifts county's water use from primarily agricultural to domestic and industrial. The South Santa Clara Valley Water Conservation District builds the Chesbro and Uvas dams.

The Central Santa Clara Valley Water Conservation District is annexed to the Santa Clara Valley Water Conservation District. Water conservation education begins in earnest.

1952: The County Board of Supervisors forms the Santa Clara County Flood Control and Water Conservation District to protect the county from flooding and supplement local water supply with imported water. The "Christmas Week" floods of 1955 leave thousands homeless. The Guadalupe River alone floods 8,300 acres, the worst flood on that river in recorded history.

1960s

1960: The county's population swells to 642,000.

1962: President John F. Kennedy and Gov. Edmund G. "Pat" Brown dedicate the San Luis Dam and Reservoir west of Los Baños.

1965: The state of California begins delivering water from the Sacramento-San Joaquin River Delta to Santa Clara County via the South Bay Aqueduct. Slowly, the addition of imported water to recharge efforts begins to reverse land subsidence; by 1969 it is halted for the first time in 40 years. Rinconada Water Treatment Plant begins drinking water treatment and distribution operations in Los Gatos.

1968: The Santa Clara Valley Water Conservation District and the Santa Clara County Flood Control and Water Conservation District merge to manage water supply and flood programs for most of the county.

1970s

The Santa Clara Valley Flood Control and Water District changes its name to the Santa Clara Valley Water District. Penitencia Water Treatment Plant comes on line.

1976-77: Historic drought years reduce deliveries from the State Water Project; Delta water is too salty to be percolated into local aquifers, but is still used by the treatment plants. Conservation efforts achieve a 22 percent drop in water usage.

Valley Water Overview

1980s

Environmental concerns are addressed as part of every construction project. Underground storage tanks are discovered leaking and potentially contaminating drinking water. The Santa Teresa Water Treatment Plant begins operation. Severe flooding occurs; voters approve funding for much-needed flood protection projects through benefit assessments.

1980: The South Santa Clara Valley Water Conservation District is renamed the Gavilan Water District.

1987: South county voters approve annexing Gavilan Water District to the Santa Clara Valley Water District. The federal Central Valley Project, San Felipe Division, begins delivery of imported water to the county from San Luis Reservoir just as the valley enters a seven-year drought period. The county's population nears 1.7 million.

1990s

The 1987-93 drought drives Valley Water to seek new sources of water through recycling, water banking and aggressive water conservation.

1995: Flooding in the county highlights the need for flood protection, especially on the Guadalupe River in downtown San Jose.

1997: Valley Water completes the IWRP long-term water supply planning process and initiates the Water Treatment Improvement Project (WTIP) to address increasingly stringent state and federal water quality standards. Coyote Creek flooded several sites between Morgan Hill and San José, causing damage to homes and businesses.

1998: Flooding occurs on San Francisquito Creek and in the county. Changing community priorities, a growing commitment to staff diversity, strict state and federal regulations and an evolving environmental ethic lead Valley Water into the 21st Century.

2000-19

Valley Water takes a lead role in the fight against MTBE water contamination, addresses perchlorate contamination of more than 1000 South County wells and partners with local wastewater agencies to increase recycling. The first phase of the WTIP is completed and the second phase launched.

2000: County voters approved the Clean, Safe Creeks and Natural Flood Protection Plan (Measure B) and approve a special tax to ensure continuity of flood protection and stream stewardship services for 15 more years.

2005: The 15-year, $346 million Downtown Guadalupe Flood Protection Project is completed, protecting an estimated 95,000 people from flooding and restoring critical endangered species habitat.

2006: Santa Teresa Water Treatment Plant delivers Valley Water's first ozonated water, providing customers better-tasting, more healthful tap water.

2007: Assembly Bill 2435 is enacted, ending county oversight of Valley Water's budget and other procedural holdovers from the 1968 merger. Penitencia Water Treatment Plant begins delivering ozonated water to customers.

2009: Valley Water Board calls for 15% mandatory conservation in response to continuing water shortage; recession drives significant Valley Water budget reductions.

2010: Board called for 10% mandatory conservation in July, then 10% voluntary conservation in September. Valley Water implements protest procedure in accordance with proposition 218. Assembly Bill 466 was also enacted, increasing the boundaries for the Board of Directors from five to seven districts.

2012: 74% of county voters approve the Safe, Clean Water (Measure B), a special tax to ensure continuity of flood protection, dam maintenance and stream stewardship services for 15 more years.

2014: The Silicon Valley Advanced Water Purification Center is completed, producing 8 million gallons a day of purified recycled water to enhance the quality of recycled "purple pipe" water used for non-potable purposes and demonstrating technologies that can be used to purify water to augment drinking water supplies.

2015: Entering the fourth year of drought, the Board adopted a resolution calling for a county-wide water use reduction of 30% compared to 2013. Valley Water began a large scale modernization of the Rinconada Water Treatment Plant, the second-largest of Valley Water's plants.

2016: Mid-year, the Board voted to reduce the water use reduction target to 20%. The implementation of fluoridation was completed in December 2016 for South, East and North San Jose, and Milpitas.

2017: In January, the Board adopted a resolution continuing the 20% water use reduction target and three day per week watering restriction. Valley Water continues to make substantial progress towards designing seismic retrofits at four of its major dams including Anderson and Calero dams.

2018: After a 2017 flood impacted neighborhoods along Coyote Creek, the Board approved changes to Anderson Reservoir operations to reduce the risk of flooding downstream. Crews completed short-term flood protection improvements in the Rock Springs neighborhood before the winter began. The Board and the City of San Jose approved a new Emergency Action Plan to prepare for and respond to flooding on Coyote Creek.

2019: The California Water Commission awarded the Pacheco Reservoir Expansion Project $484.55 million under Proposition 1, and approved Valley Water's request for early funding of $24.2 million to proceed with next steps, such as completing environmental documents and permit applications. The project would expand Pacheco Reservoir's storage capacity to provide for increased emergency water supplies, improved water quality, and ecosystem benefits throughout our region and the Sacramento-San Joaquin Delta.

Board Committees

Committees are made up of Board members that advise the Board on an ongoing basis for an assigned subject purpose.

Board Policy and Planning Committee: Provides support to the Board in areas of:

1. Board planning process.
2. Board Committees' principles and structures.
3. Board and organization performance monitoring.
4. Other tasks as assigned by the Board.

Board Audit Committee: Assist the Board, consistent with direction from the full Board, to identify potential areas for audit and audit priorities, and to review, update, plan and coordinate execution of Board audits.

Board Ethics and Conduct Committee: Consider initiation of investigation of allegations against a Board member in accordance with Board Governance Policy GP-6.

Capital Improvement Program (CIP) Committee: Provide a venue for more detailed discussions regarding capital project validation, including recommendations on prioritizing, deleting, and/or adding projects to the CIP, as well as monitoring implementation progress of key projects in the CIP.

Recycled Water Committee: Develop a long-term proposal for how Valley Water can work together with other local agencies on recycled water opportunities within Valley Water boundaries, to establish a collaborative process to facilitate policy discussion and sharing of technical information on recycled water issues.

Water Conservation and Demand Management Committee: Support the Board in achieving its policy to provide a reliable water supply to meet current and future water usage by making policy recommendations related to demand management.

Water Storage Exploratory Committee: Receive and discuss information on issues related to additional water storage options.

Board Ad Hoc Committees

Committees are made up of Board members that advise the Board on an assigned subject/purpose, limited in scope and duration.

FAHCE Ad Hoc Committee:

1. Track the progress of Valley Water and other parties (Settlement Parties) of the FAHCE Settlement Agreement in completing requirements enabling dismissal of the water rights complaint and commencement of restoration program.
2. Identify and recommend actions the Board can take to ensure expeditious completion of the requirements defined in Purpose 1.

Homeless Encampment Ad Hoc Committee: Discuss homelessness and encampment issues, and bring discussion and recommendations back to the Board.

Coyote Flood Risk Reduction Ad Hoc Committee: Develop short-term, immediate solutions to the February 21, 2017 (President's Day Weekend) Coyote Creek Flood event.

Diversity & Inclusion Ad Hoc Committee: Work on Board and Director identified diversity and inclusion issues.

Board Advisory Committees

Committees made up of constituents/elected officials that are formed and managed in accordance with Board resolution.

Agricultural Water Advisory Committee: To assist the Board with policies and issues pertaining to agricultural water supply and use, and in the annual review of groundwater production charges.

Environmental and Water Resources Committee: To assist the Board with policies and issues pertaining to water supply, flood protection and environmental stewardship.

Santa Clara Valley Water Commission: To assist the board with policies and issues pertaining to water supply, flood protection and environmental stewardship, as well as in the annual review of groundwater production charges.

Santa Clara Valley Water District Youth Commission: Assist the Board with policy review and development, provide comment on activities in the implementation of Valley Water's mission for Board consideration, and to identify Board-related issues pertaining to public policy education, outreach, and all matters impacting Santa Clara County youth and Valley Water.

Joint Committees

Committees made up of Board members and other agency staff that are formed to advise the Board and/or in accordance with agreements, contracts, etc.

Joint Recycled Water Advisory Committee with the City of Sunnyvale: Develop a long-term proposal for how Valley Water and City of Sunnyvale can work together on recycled water opportunities, to establish a collaborative process to facilitate policy discussion and sharing of technical information on recycled water issues.

Joint Recycled Water Policy Advisory Committee with the City of San Jose/Santa Clara/TPAC: Required per term in the City–Valley Water 40-year Integration Agreement. The Committee shall tender its advice to Valley Water's Board of Directors and the City Council of the City of San José with respect to policy matters relating to the production, distribution and use of recycled water from facilities under administration by these agencies.

Joint Recycled Water Policy Committee with the Cities of Palo Alto, East Palo Alto, and Mountain View:
Develop a long-term proposal for how Valley Water and the Palo Alto Regional Water Quality Control Plant (RWQCP) partner agencies, other stakeholders, and interested parties, can work together on recycled water opportunities, to advance common interest, and to establish a collaborative process to facilitate policy discussion and sharing of technical information on recycled water issues.

Joint Water Resources Committee with the Cities of Morgan Hill and Gilroy:
Advance common South County water interests and receive input from stakeholders and interested parties when undertaking the following:

1. Reviewing current practices and future needs for groundwater management in the Llagas groundwater sub-basin.
2. Facilitating policy discussion and sharing of technical information on water supply planning for South County.
3. Identifying the current and future demand for recycled water as well as jointly identifying funding sources for implementation of the South County Recycled Water Master Plan.
4. Facilitating policy discussion and sharing of technical information on furthering development and use of recycled water in South County.
5. Facilitating policy discussion and sharing of socio-economic information on homelessness in South County.

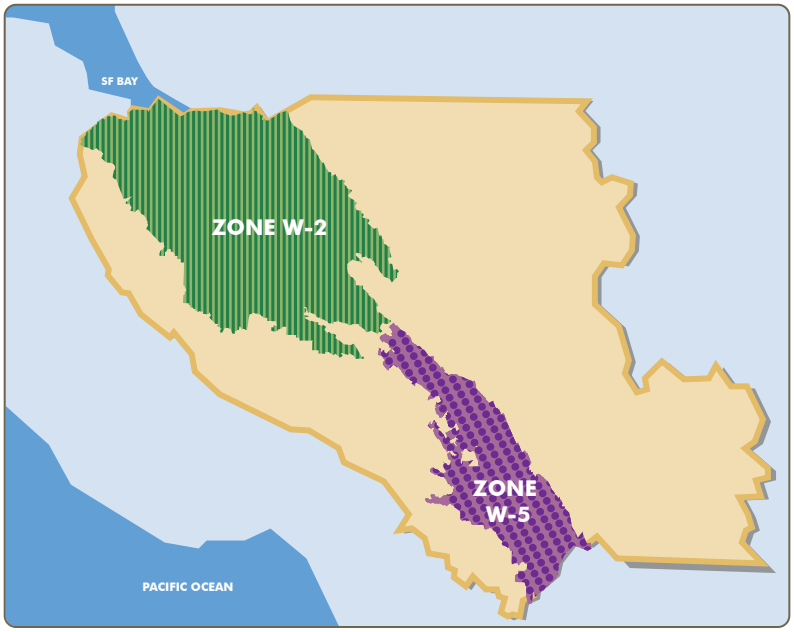
San Felipe Division Reach One Committee: Discuss the Initial Asset Evaluation Report, attempt to reach a joint recommendation for a Condition Level, and discuss policy issues.

External Monitoring Committee

Committee made up of members of the community nominated by the Directors.

Safe, Clean Water Independent Monitoring Committee: Annually reviews the implementation of the intended results of the program and reports its findings to the Board, which makes the Committee report available to the residents and voters of Santa Clara County.

Major water utility zones of benefit in Santa Clara County



As part of Valley Water's core water supply function, two major water utility zones form the basis for establishing District water charges. Zone W-2 encompasses the Santa Clara Valley groundwater basin north of Metcalf Road, and the city. It includes those groundwater producing facilities that benefit from recharge with local and imported water. Zone W-5 comprises the entire Llagas groundwater basin from Metcalf Road south to the Pajaro River. Water charges are set separately for each zone, reflecting Valley Water activities carried out in each.

Watershed areas and flood control zones of Santa Clara County



More than 800 miles of creeks flow through Santa Clara County. Valley Water works to protect both the natural attributes of these waterways and the communities that surround them as part of its watershed stewardship core function. Sixty-seven years of working for flood protection has reduced the intensity and frequency of flooding in Santa Clara County.

This page left intentionally blank.



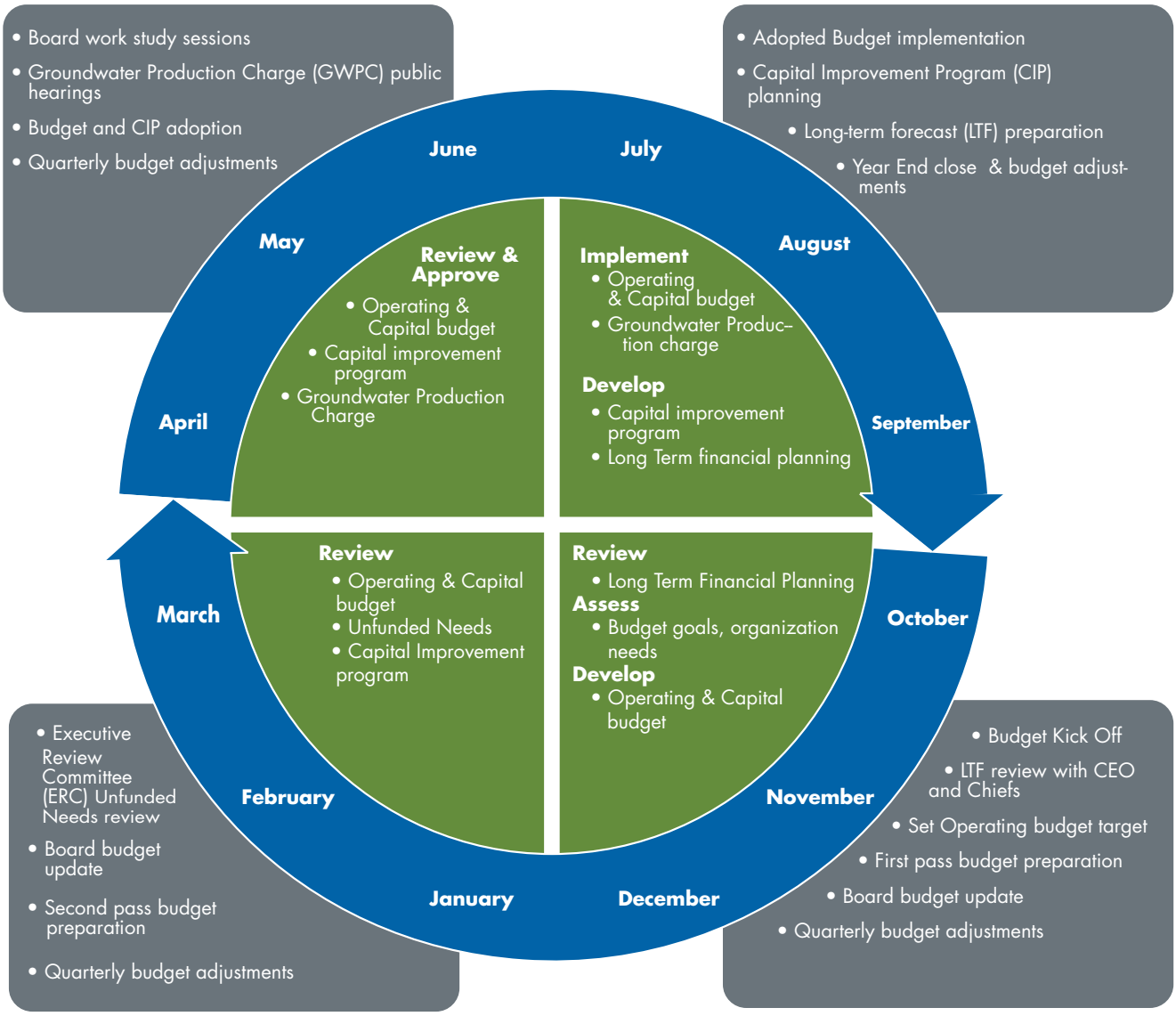
Financial Overview

FY 2019-20

Operating and Capital Budget

FINANCIAL OVERVIEW

Budget Process Overview



Financial Planning and Rate Setting

Every year staff prepare a rolling ten-year expenditure forecast that provides the basis for developing the budget targets and for analyzing the long-term financial sustainability of the various Valley Water funds. For the Water Utility Enterprise funds, Valley Water uses the "revenue requirements" methodology to set the groundwater production charge and other water charges for each zone. In general, costs associated with operations, capital, debt service and reserve requirements are estimated over a 10-year time frame. The amount not funded by property taxes, interest earnings, debt proceeds, and other income is covered by water charges. A water charge projection is calculated for each zone to recover the revenue requirements over a 10-year time period in accordance with the pricing policy (Board Resolution 99-21). The water charge setting process is conducted in accordance with the District Act and Board resolution 12-10, and includes the preparation of an annual report on the Protection and Augmentation of Water Supplies (PAWS). The report provides information on present and future water requirements for the County, water supply available to Valley Water, future capital and operating requirements, benefits and services provided by Valley Water, financing methods and water charges by zone. A series of public hearings and meetings are conducted with advisory committees and stakeholders to ensure that feedback is gathered for the Board to consider in establishing water charges each year.

Capital Improvement Plan

Valley Water prepares a Capital Improvement Program (CIP) annually. It is a 5-year rolling CIP, meaning that it is updated annually and covers the upcoming five-year period. The CIP is approved by the Board each year, and is publicly available for review. The CIP includes project descriptions, schedules and forecasts for capital funding needs. The CIP is the primary means of coordinating schedules and budgets on capital work.

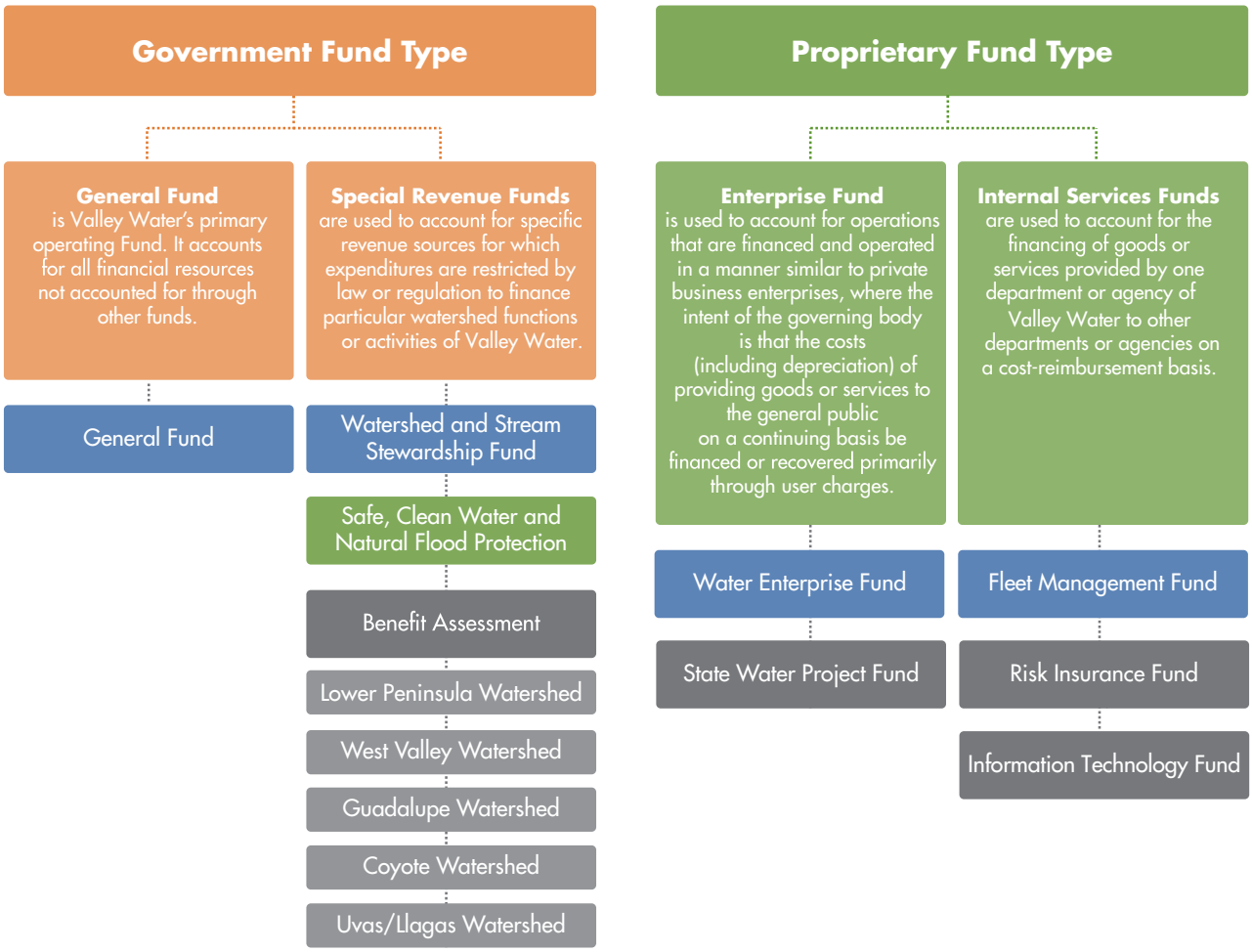
For detail capital expenditure and impact of capital investments on operating budget, please visit: http://aqua.gov/business-mgt-policies/capital-improvement-program.

Other Planning Documents

Valley Water's budget is informed by many planning documents including but not limited to:

- Protection and Augmentation of Water Supplies Report 2019-2020
- Water Utility Enterprise Planning Documents
- Water Utility Enterprise Maintenance Work Plan 2019-2023
- Water Supply Master Plan
- Stream Maintenance Program Manual
- Safe, Clean Water and Natural Flood Protection 5-Year Implementation Plan
- Requests of the 116th Congress
- 2019 Environment Stewardship Update
- Engaging Our Diversity: 2015-2019

Valley Water Fund Structure



Basis of Budgeting

The annual budget is prepared using the modified accrual basis. Revenues are recognized only when they become measurable and available to finance expenditures of the fiscal period. Expenditures are recognized when the payments are incurred or a commitment is made through an encumbered purchase order.

The accounts of Valley Water are organized based on fund types and account groups. Each fund is an independent accounting entity with a self-balancing set of accounts comprised of its assets, liabilities, fund equity, revenue, and expenditures or expenses, as appropriate. Fund accounting allows government resources to be segregated and accounted for per their intended purposes, aiding management in demonstrating compliance with finance-related legal and contractual provisions.

Revenue

Revenue projections are, in general, taken from Valley Water's long-range planning documents. These planning tools are updated annually based on the best information available. They are documented annually as part of the Annual Report on the Protection and Augmentation of Water Supplies (PAWS), the Flood Control Benefit Assessments Report, and the Safe, Clean Water and Natural Flood Protection Report.

The FY 2019-20 budget includes projected revenues of approximately $501.8 million. These revenues are a net increase of 12% from the $448.0 million included in the FY 2018-19 adopted budget. The net $53.9 million increase is primarily derived from higher water revenue ($31.2 million), 1% ad valorem property taxes ($8.1 million), and special parcel tax ($1.5 million), capital reimbursement revenue ($9.7 million), and interest and other operating and non-operating revenues ($4.7 million), offset by a decrease of Benefit Assessment revenues (-$1.3 million). The specific categories of revenue include:

Water Revenue

The main source of Valley Water revenue is from water charges projected at $277.4 million for FY 2019-20. Revenues from treated water continue to be the largest source with an estimated amount of $169.5 million. Groundwater production charges are budgeted at $105.0 million, and surface/recycled water sales are projected at $2.8 million. Staff is recommending a 6.6% increase in municipal & industrial groundwater charges for Zone W-2 and a 6.9% increase for Zone W-5 in the FY 2019-20 budget.

Property Tax

Property tax revenues are estimated at $120.0 million for FY 2019-20, an increase of 7.2% from the FY 2018-19 adopted budget. Valley Water benefits from two types of property taxes - 1% ad valorem ($102.0 million) and levies for State Water Project (SWP) indebtedness ($18.0 million). More information is included in the Major Sources of Revenue section later in this chapter.

Special Parcel Tax

The Safe, Clean Water Program special parcel tax was approved by the voters in November 2012. The Special Parcel Tax estimated for FY 2019-20 is $45.5 million, an increase of 3.5% over FY 2018-19 adopted budget.

Benefit Assessments

Benefit assessment revenue consists of levies approved by voters in 1986 and 1990 to support financing for flood control capital improvements, and are set at 1.25 times the duly authorized annual debt service requirements for assessed parcels in each watershed. Benefit assessment revenue budget is $13.4 million for FY 2019-20.

Capital Reimbursements

Capital reimbursements are from local, state and federal agencies for specified capital projects that are already completed or would be undertaken during this budget period. District-wide capital reimbursements are budgeted at $32.6 million for FY 2019-20. More information is included in the Major Sources of Revenue section.

Interest

Interest earnings are estimated to be $7.9 million in FY 2019-20, an increase of $3.9 million compared to FY 2018-19 adopted budget.

Other Revenue

Other Operating and Non-Operating Revenues comprised of receipts from minor sources such as rental income and the sale of vehicles totals $3.6 million.

Appropriations/Outlays

Net total operating and capital outlays for the FY 2019-20 budget is $528.9 million. This figure does not include capital carry forward appropriated by the Board in prior years and is net of General Fund intra-district reimbursements and Internal Service Funds charges.

FY 2019-20 net operating outlays are $346.7 million, an increase of approximately $15.5 million compared to the FY 2018-19 adopted budget of $331.1 million.

The increase in net outlays reflects continued efforts to maintain service levels that support key strategic objectives. Objectives and issues facing Valley Water include but are not limited to:

- Infrastructure maintenance and construction needs (ensuring dam safety, managing infrastructure for reliability, care of Valley Water facilities and assets)
- Funding for capital projects (shortage of federal funding, coordinated planning of permitting efforts, environmental stewardship efforts)
- Advancing Valley Water's interests in countywide storm water resource planning
- Active participation in decisions regarding the California WaterFix
- Advancing Anderson Dam Seismic Retrofit project
- Leading the recycled and purified water efforts with the cities of San Jose and Santa Clara
- Finalizing the Fisheries and the Aquatic Habitat Collaborative Effort (FAHCE)
- Pursuing efforts to increase water storage opportunities
- Attaining net positive impact on the environment when completing projects
- Advancing diversity and inclusion efforts

Valley Water is responding to these challenges in several ways, including expanding efforts with the help of 18 new positions, as discussed in the Fund Summaries chapter.

Intra-district Reimbursements

The primary funding sources for the General Fund and Service Funds are intra-district reimbursements. For FY 2019-20, the total is $80.8 million. Intra-district charges reimburse the General Fund and Service Funds for functions such as finance, accounting, payroll, human resources, information technology, facilities, organizational leadership, and fleet management.

Approximately, 60% of intra-district charges is paid by the Water Utility Enterprise, 40% by Watersheds Funds.

Capital Outlays

FY 2019-20 capital project appropriations total $204.5 million, a decrease of $0.6 million compared to the FY 2018-19 adopted budget. It is anticipated that $71.2 million of the FY 2018-19 adjusted budget for capital projects will be carried forward to FY 2019-20 as most capital projects require multiple years to complete. The capital budget represents the projects that have been identified and prioritized in the Five-Year Capital Improvement Program (CIP).

Other Financing Sources/Uses

Other financing sources and uses include proceeds from debt issuance. For FY 2019-20, Valley Water will issue bonds or commercial papers for approximately $59.6 million to finance various Water Utility capital improvement projects.

Reserves

Overall, budgeted reserves for FY 2019-20 are estimated at $342.9 million, an increase of $8.9 million compared to the FY 2018-19 budget. The increase is primarily due to increase in the currently authorized projects reserves ($25.7 million), the Water Utility public-private partnership reserves ($4.0 million), the Water Utility drought reserve ($3.0 million), Water Utility rate stabilization and other reserves ($1.6 million), Risk Management reserves ($2.1 million), and offset by decreases in operating and capital reserves (-$27.5 million).

Staffing

The FY 2019-20 budget includes 842 authorized positions and 4 management fellows, an increase of 18 new positions from the prior year. The new positions costs total approximately $3.2 million. The new positions support Valley Water's In-house construction management program, support Water Utility field and facility maintenance activities, augment resources for various State and Federal compliance and reporting requirements, and provide staffing resources for various Water Utility and Watershed operations/operating projects. For a comprehensive schedule of district-wide salaries and benefits, please refer to the salaries & benefits section in this chapter.

Combined Fund Summary - All Funds

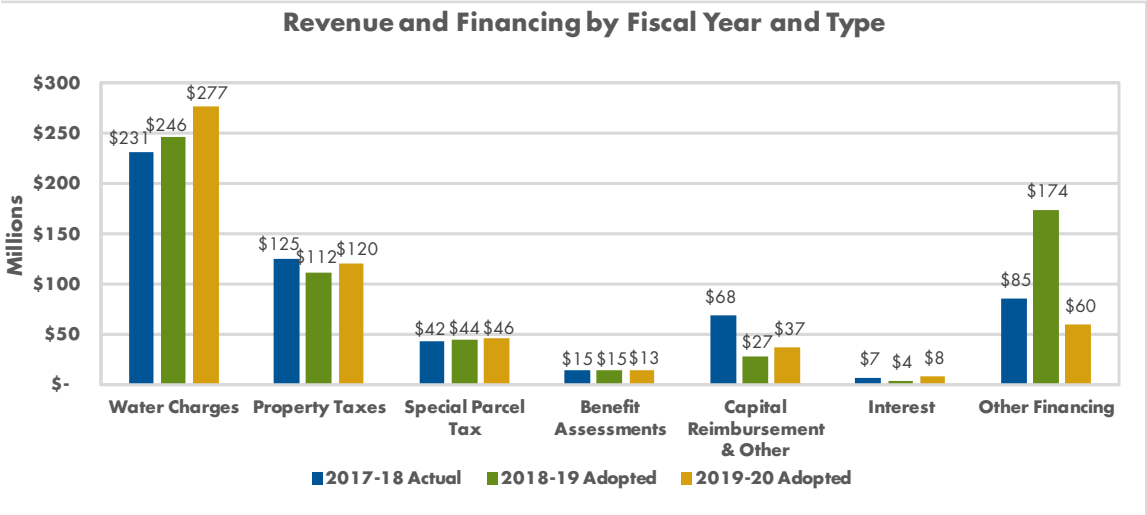
	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted $ Diff	Change from 2018-19 Adopted % Diff
REVENUE						
GroundWater	$ 97,482,517	$ 90,696,000	$ 90,696,000	$ 105,036,000	$ 14,340,000	15.8%
Treated Water	132,476,810	152,787,000	152,787,000	169,519,000	16,732,000	11.0%
Surface/Recycled	1,040,878	2,653,000	2,653,000	2,821,000	168,000	6.3%
Benefit Assessment	14,773,481	14,778,000	14,778,000	13,444,678	(1,333,322)	(9.0)%
Property Tax	124,818,671	111,866,326	118,141,976	119,951,653	8,085,327	7.2%
Parcel Tax	42,487,520	43,998,000	43,998,000	45,537,000	1,539,000	3.5%
Intergovermental Services	5,756,050	625,000	735,000	1,237,000	612,000	97.9%
Operating Other	4,835,700	975,000	865,000	872,000	(103,000)	(10.6)%
Capital Reimbursements	50,766,277	22,924,000	26,479,000	32,618,000	9,694,000	42.3%
Interest Income *	6,877,922	4,000,000	7,800,000	7,850,000	3,850,000	96.3%
Non-Operating Other	6,922,598	2,626,000	2,626,000	2,958,000	332,000	12.6%
TOTAL REVENUE	**$ 488,238,424**	**$ 447,928,326**	**$ 461,558,976**	**$ 501,844,331**	**$ 53,916,005**	**12.0%**
OUTLAYS						
Operating Outlays						
Operations **	$ 296,168,832	$ 323,517,389	$ 325,126,707	$ 340,279,200	$ 16,761,811	5.2%
Operating Project	7,693,560	7,621,255	8,101,255	6,406,323	(1,214,932)	(15.9)%
Debt Service	38,739,932	59,189,136	55,701,736	58,607,155	(581,981)	(1.0)%
Total Operating Outlays	**$ 342,602,324**	**$ 390,327,780**	**$ 388,929,698**	**$ 405,292,678**	**$ 14,964,898**	**3.8%**
Capital Outlays						
Capital Projects	$ 242,220,973	$ 205,072,688	$ 270,920,930	$ 204,451,304	$ (621,384)	(0.3)%
Carry Forward Capital Projects	—	90,305,126	—	71,151,000	(19,154,126)	(21.2)%
Total Capital Outlays	**$ 242,220,973**	**$ 295,377,814**	**$ 270,920,930**	**$ 275,602,304**	**$ (19,775,510)**	**(6.7)%**
TOTAL OUTLAYS**	**$ 584,823,297**	**$ 685,705,594**	**$ 659,850,628**	**$ 680,894,982**	**$ (4,810,612)**	**(0.7)%**
Less Intra-District Reimb	(75,226,613)	(85,543,321)	(71,930,034)	(80,846,963)	4,696,358	(5.5)%
NET OUTLAYS	**$ 509,596,684**	**$ 600,162,273**	**$ 587,920,594**	**$ 600,048,019**	**$ (114,254)**	**(0.0)%**
OTHER FINANCING SOURCES/(USES)						
Bond Proceeds	$ —	$ 64,193,000	$ 64,193,000	$ 59,559,000	$ (4,634,000)	(7.2)%
Commercial Paper Proceeds	81,570,000	110,000,000	30,000,000	—	(110,000,000)	(100.0)%
Certificates of Participation	3,457,481	—	5,434,000	—	—	—
Transfers In	18,380,757	12,629,471	12,543,616	26,941,830	14,312,359	113.3%
Transfers Out	(18,380,757)	(12,629,471)	(12,543,616)	(26,941,830)	(14,312,359)	113.3%
Total Other Financing Sources (Uses)	**$ 85,027,481**	**$ 174,193,000**	**$ 99,627,000**	**$ 59,559,000**	**$ (114,634,000)**	**(65.8)%**
BALANCE AVAILABLE	**$ 63,669,221**	**$ 21,959,053**	**$ (26,734,618)**	**$ (38,644,688)**	**$ (60,603,741)**	**(276.0)%**

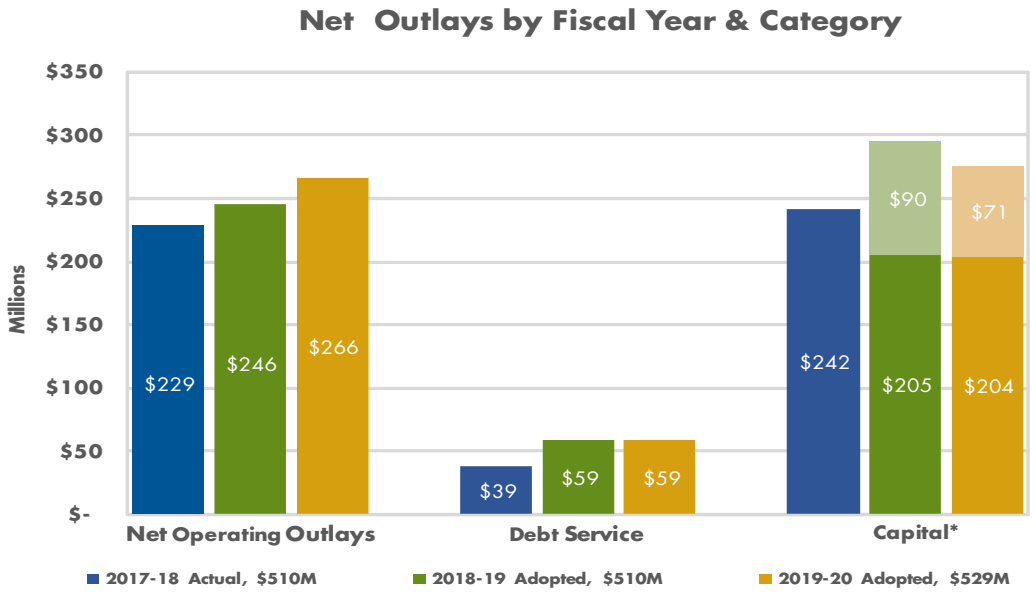
Combined Fund Summary - All Funds (Continued)

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted $ Diff	Change from 2018-19 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization	$ 21,066,011	$ 22,477,551	$ 22,477,551	$ 23,467,000	$ 989,449	4.4%
WUE San Felipe Emergency	3,039,874	3,053,130	3,053,130	3,103,000	49,870	1.6%
WUE State Water Project Tax Reserve	12,777,981	4,725,400	10,883,272	4,815,690	90,290	1.9%
WUE Public-Private Partnership (P3) Reserve	—	4,000,000	4,000,000	8,000,000	4,000,000	100.0%
WUE Water Supply	14,677,141	14,677,000	14,677,000	15,077,000	400,000	2.7%
WUE SVAWPC	1,906,000	986,000	1,066,000	1,066,000	80,000	8.1%
WUE Drought Reserve	5,000,000	7,000,000	7,000,000	10,000,000	3,000,000	42.9%
SCW Currently Authorized Projects	105,500,737	16,134,748	61,384,000	25,418,000	9,283,252	57.5%
SCW Operating and Capital Reserve	31,111,599	123,269,436	65,045,956	90,654,986	(32,614,450)	(26.5)%
Total Restricted Reserves	**$ 195,079,343**	**$ 196,323,265**	**$ 189,586,909**	**$ 181,601,676**	**$ (14,721,589)**	**(7.5)%**
Committed Reserves						
Currently Authorized Projects ***	$ 92,955,587	$ 13,398,137	$ 64,992,000	$ 29,807,000	$ 16,408,863	122.5%
Operating and Capital Reserve	105,028,055	113,259,259	113,911,202	118,325,138	5,065,879	4.5%
Workers Compensation Liability	6,465,000	6,000,000	7,034,000	7,034,000	1,034,000	17.2%
Catastrophy - Property Self-Insurance	8,733,047	5,014,194	6,002,303	6,113,912	1,099,718	21.9%
Total Committed Reserves	**$ 213,181,689**	**$ 137,671,590**	**$ 191,939,505**	**$ 161,280,050**	**$ 23,608,460**	**17.1%**
TOTAL YEAR-END RESERVES	**$ 408,261,032**	**$ 333,994,855**	**$ 381,526,414**	**$ 342,881,726**	**$ 8,886,871**	**2.7%**
Uncommited Funds						

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

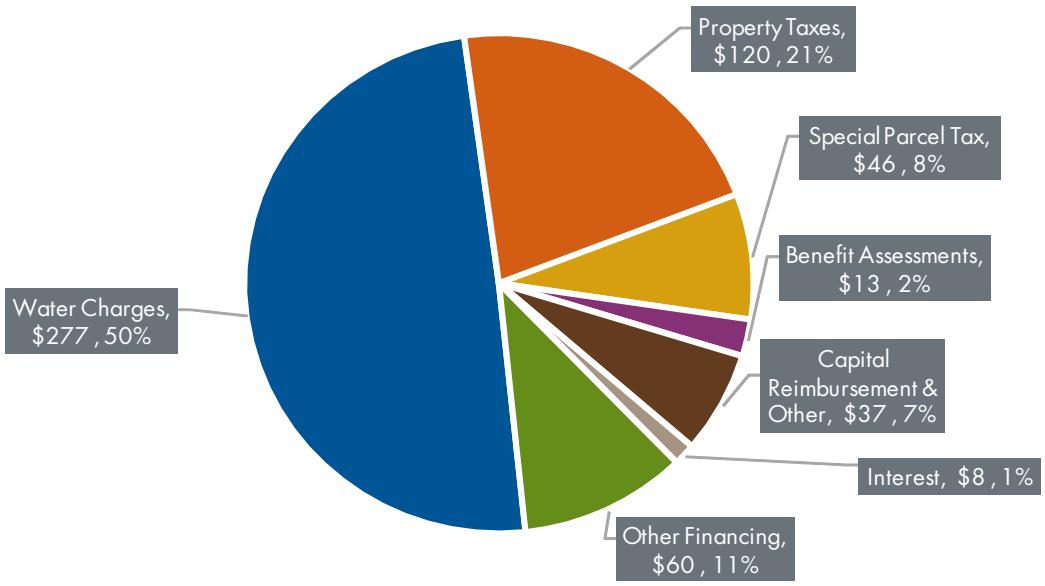
Revenue and Outlays



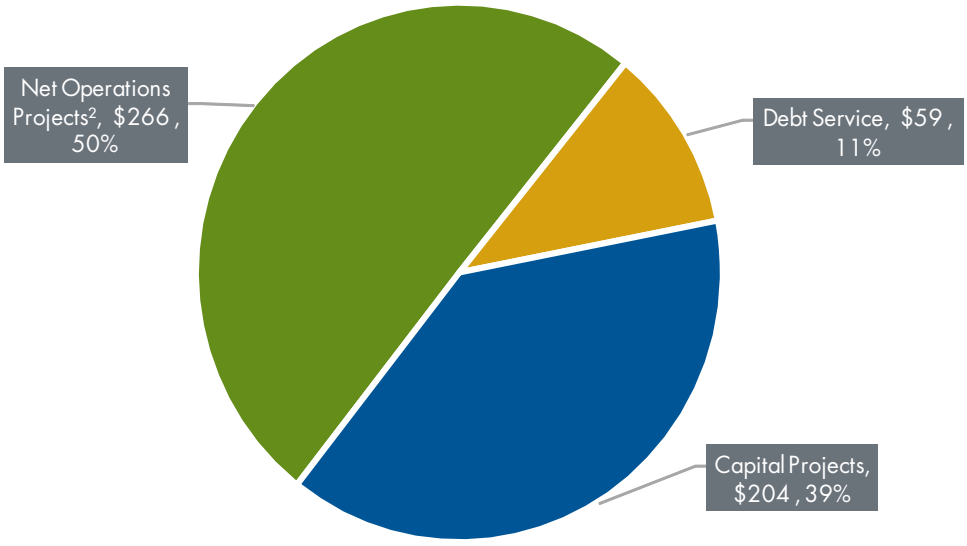


* Capital budget includes current year budget and prior year capital budget carry forward in the lighter shade

FY 2019-20 Adopted Revenue and Debt Financing, $561 Million



FY 2019-20 Adopted Net Outlays By Category, $529 Million

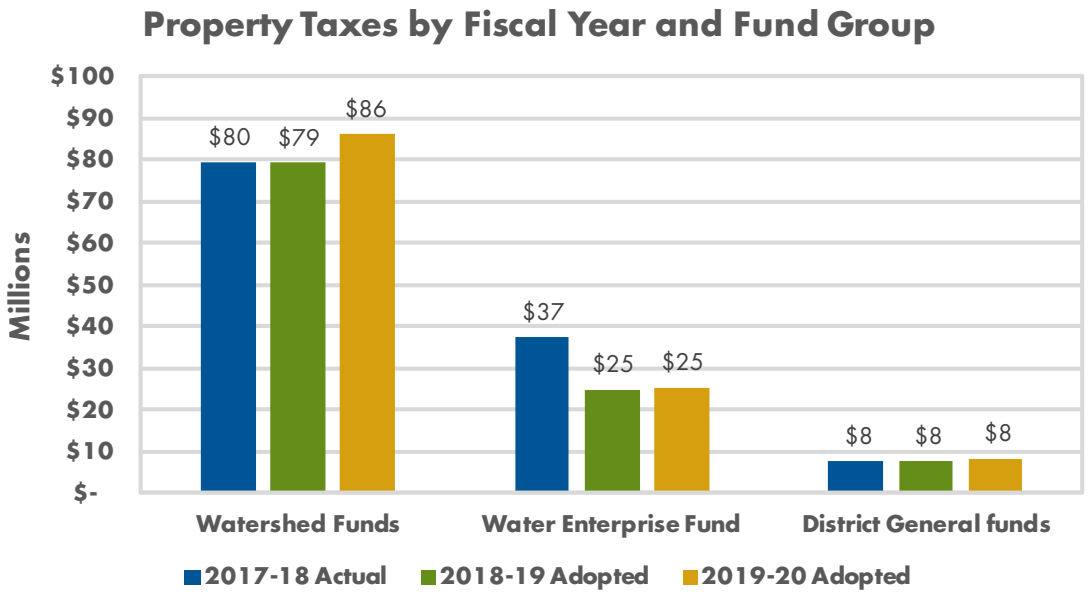


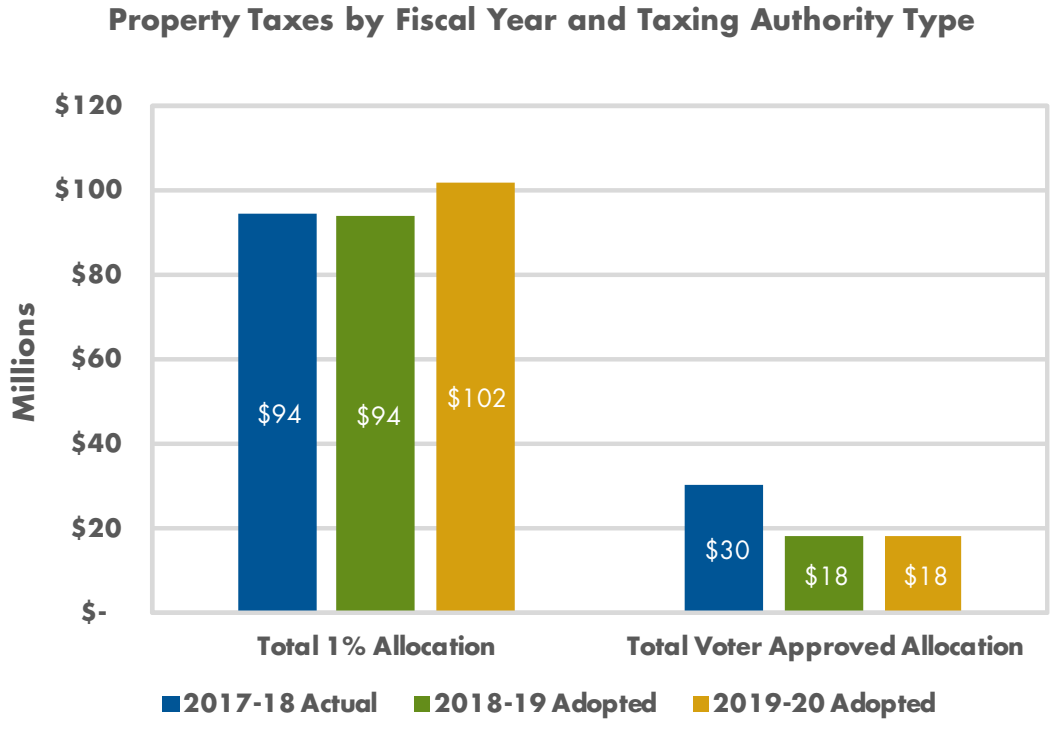
[1]Capital Projects Outlay does not include capital budget estimated to be carried forward from prior year
[2]Operations are net of intra-district reimbursements.

This page left intentionally blank.

MAJOR SOURCES OF REVENUES

Property Taxes





Property Taxes

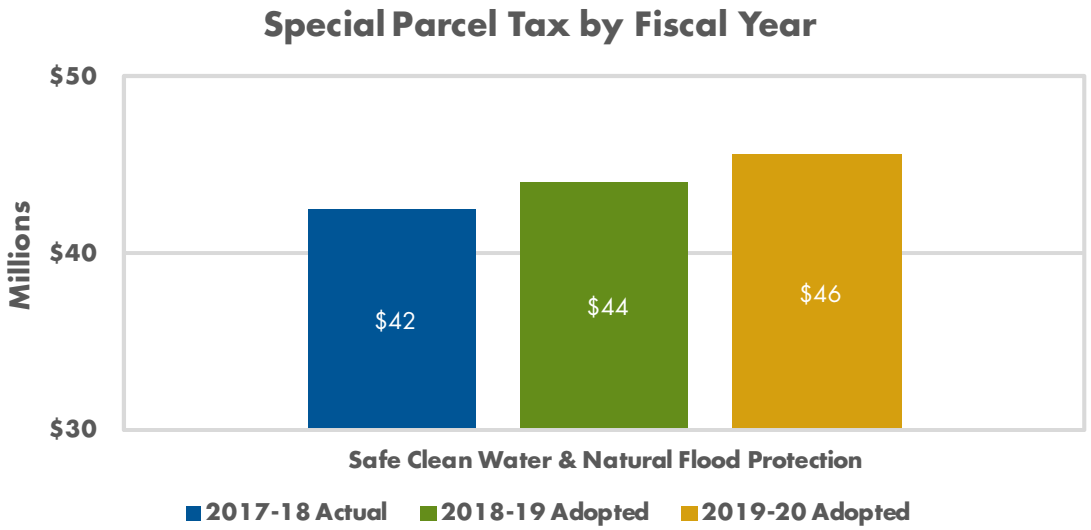
Valley Water's property tax revenues are comprised of two distinct categories: an allocated share of countywide 1% Ad Valorem property tax receipts and a voter-approved levy for State Water Project (SWP) contract obligations.

For FY 2019-20, Valley Water is projecting $102.0 million in 1% Ad Valorem tax revenues, a 8.6% increase over the FY 2018-19 adopted budget. The increase is based on the assessed valuation updates from the Santa Clara County staff and is tied to the increase in the assessed value of all property in Santa Clara County. Property sales and new construction were principal contributors to assessment roll growth.

Valley Water also levies a property tax (State Water Projects Tax) based on its annual indebtedness to the State pursuant to its water supply contract dated November 20, 1961. This indebtedness is part of Valley Water's SWP water purchase costs and pays for construction, maintenance and operation of SWP infrastructure and facilities. In FY 2019-20, total Valley Water expects to collect $18.0 million, the same amount as prior fiscal year.

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted	
					$ Diff	% Diff
Property Tax						
1 % Ad Valorem Property Tax						
Watershed Funds	$ 79,538,023	$ 79,160,985	$ 84,605,179	$ 86,087,955	$ 6,926,970	8.8%
Water Enterprise Fund	7,087,504	6,962,471	7,314,212	7,451,232	488,761	7.0%
District General Fund	7,864,536	7,742,870	8,222,585	8,412,466	669,596	8.6%
Total 1% Allocation	**$ 94,490,063**	**$ 93,866,326**	**$ 100,141,976**	**$ 101,951,653**	**$ 8,085,327**	**8.6%**
State Water Project Debt Service	**$ 30,328,609**	**$ 18,000,000**	**$ 18,000,000**	**$ 18,000,000**	**$ —**	**—**
Total Property Tax	**$ 124,818,672**	**$ 111,866,326**	**$ 118,141,976**	**$ 119,951,653**	**$ 8,085,327**	**7.2%**

Special Parcel Tax



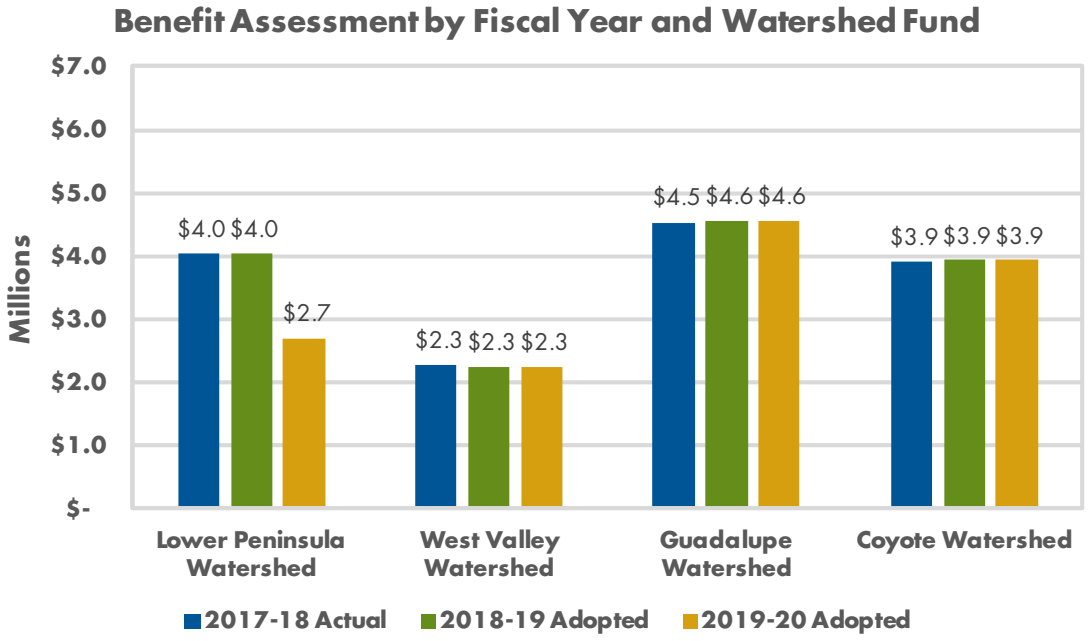
Special Parcel Tax

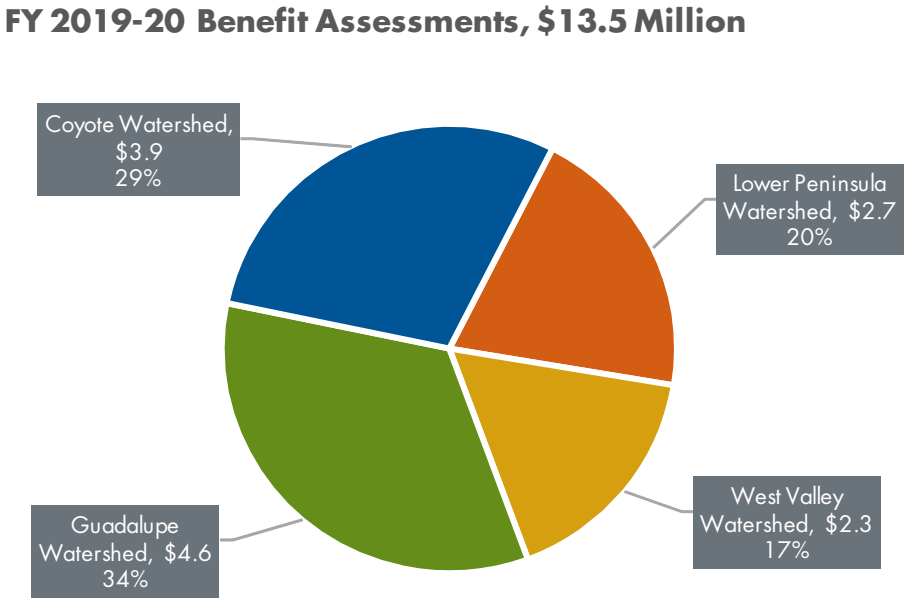
In November 2000, over two-thirds of Santa Clara County voters approved the original 15-year special parcel tax to fund the Valley Water's countywide Clean, Safe Creeks and Natural Flood Protection Program (Clean, Safe Creeks). In November 2012, two-thirds of the voters approved the Safe, Clean Water and Natural Flood Protection program that builds upon the success of its predecessor Clean, Safe Creeks program and extends the special parcel tax another 15 years. The special parcel tax levy is based on the proportionate distribution of storm water runoff per parcel, and may be increased annually by either the prior year's San Francisco-Oakland-San Jose Consumer Price Index for all Urban Consumers (CPI) or 3%, whichever is greater.

For FY 2019-20, special parcel tax revenues are expected to increase by $1.5 million or 3.5% over the FY 2018-19 adopted budget. The increase is mainly due to the increase in the special tax rates, and partially due to an anticipated increase in eligible parcels based on the construction activity in the county.

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted	
					$ Diff	% Diff
Special Parcel Tax						
Safe Clean Water & Natural Flood Protection	$ 42,487,520	$ 43,998,000	$ 43,998,000	$ 45,537,000	$ 1,539,000	3.5%
Total Special Parcel Tax	**$ 42,487,520**	**$ 43,998,000**	**$ 43,998,000**	**$ 45,537,000**	**$ 1,539,000**	**3.5%**

Benefit Assessment





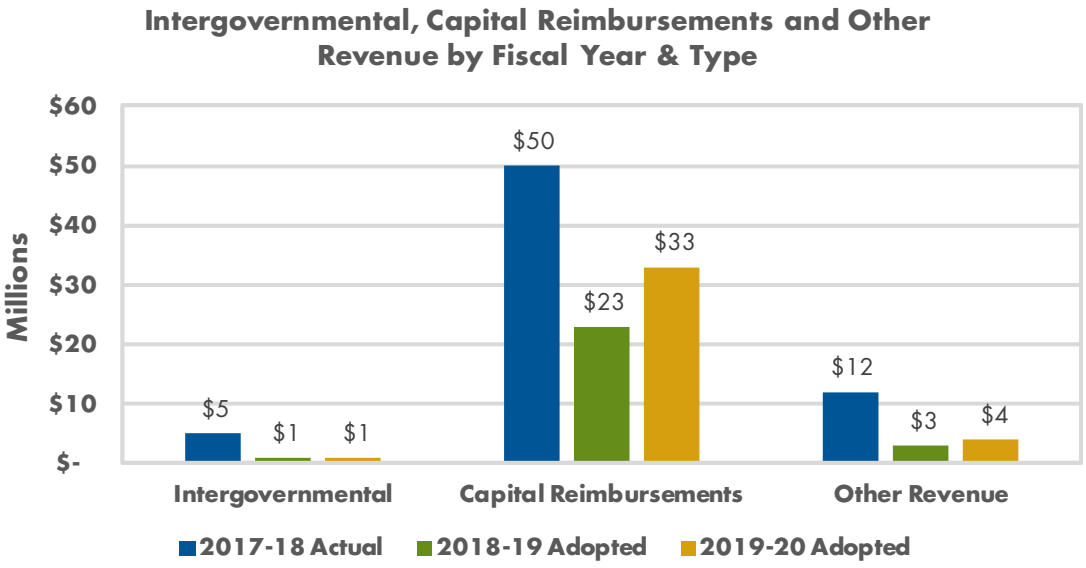
Benefit Assessment

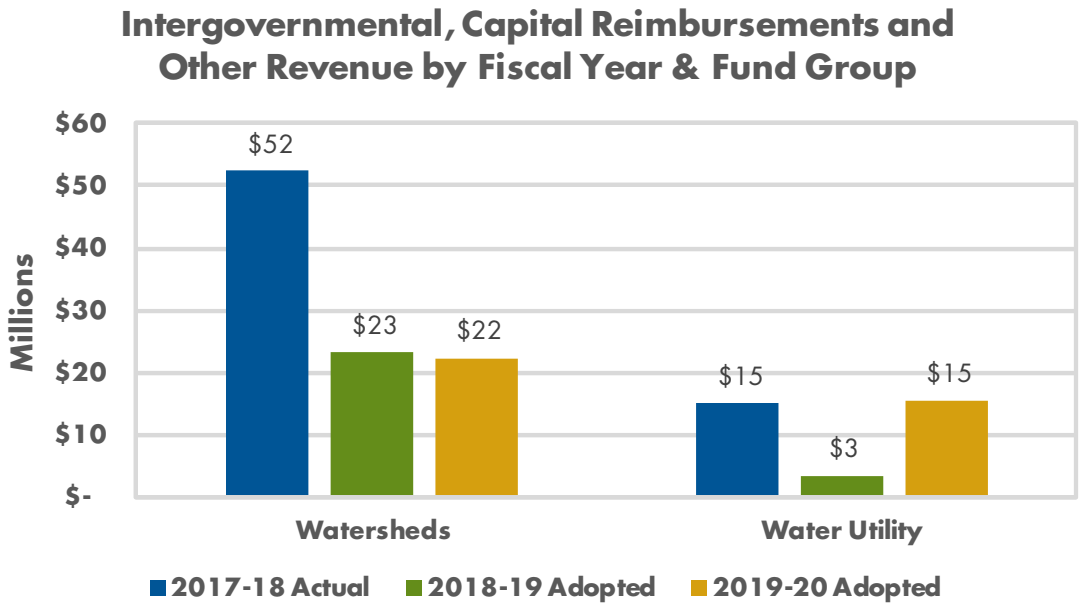
The Flood Control Benefit Assessment was first authorized by the Valley Water Board of Directors in 1981, and later by the ballot measures in 1982, 1986, and 1990. The program had a sunset date of 2000 but the assessment will continue until 2030, when the Valley Water would pay-off the bonds associated with this program.

FY 2019-20 continues under this debt repayment phase of the benefit assessment program with benefit assessments levied at 1.25 times the annual debt service. For FY 2019-20, the Benefit Assessment revenue receipts are anticipated to come in at $13.4 million. As Valley Water pays down principal, the amount collected would decrease.

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted	
					$ Diff	% Diff
Benefit Assessment						
Lower Peninsula Watershed	$ 4,032,339	$ 4,039,000	$ 4,039,000	$ 2,704,524	$ (1,334,476)	(33.0)%
West Valley Watershed	2,287,124	2,255,000	2,255,000	2,254,819	(181)	(0.0)%
Guadalupe Watershed	4,539,598	4,552,000	4,552,000	4,552,774	774	0.0%
Coyote Watershed	3,914,420	3,932,000	3,932,000	3,932,561	561	0.0%
Total Benefit Assessments	**$ 14,773,481**	**$ 14,778,000**	**$ 14,778,000**	**$ 13,444,678**	**$ (1,333,322)**	**(9.0)%**

Intergovernmental, Capital Reimbursements and Other Revenue





Intergovernmental Services

Valley Water anticipates receiving intergovernmental services revenue of $1.2 million for the Water Utility.

Capital Reimbursement Revenue

Valley Water anticipates capital reimbursement revenue of $32.6 million.

Water Utility Enterprise receipts are budgeted at $11.9 million comprised of $1.3 million from San Benito County Water District (SBCWD) for small capital improvements on the San Felipe pipeline, $8.6 million from the California Water Commission for the Pacheco Reservoir Expansion project, $2.0 million of USBR Title 16 funding for the recycled water pipeline efforts in South County.

Total Watersheds capital reimbursements are budgeted at $20.8 million. Of this, $7.3 million is budgeted in the Watershed and Stream Stewardship Fund and $13.5 million is budgeted in the Safe, Clean Water Fund.

Watershed and Stream Stewardship reimbursements are comprised of $5.0 million for Berryessa Creek, Lower Penitencia Creek to Calaveras Blvd. and $2.3 million for San Francisco Bay Shoreline.

Safe, Clean Water reimbursements are comprised of $9.9 million from State Subventions for , Berryessa Creek, Calaveras Blvd. to I-680 ($4.9 million), and Llagas Creek - Upper, Buena Vista Rd. to Wright Ave. ($5.0 million), and another $3.6 million for Guadalupe River - Upper, I-280 to Blossom Hill Rd.

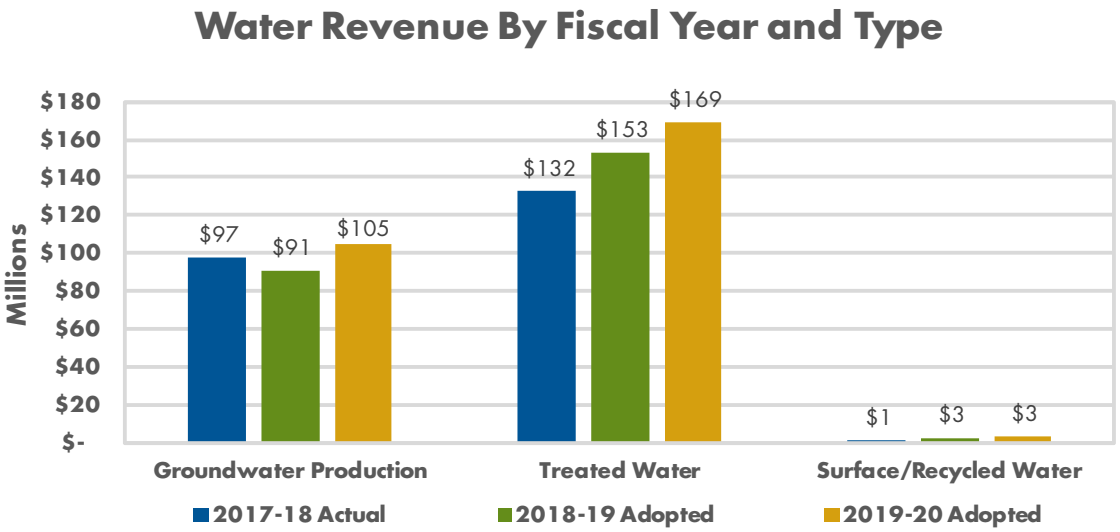
Other Revenue

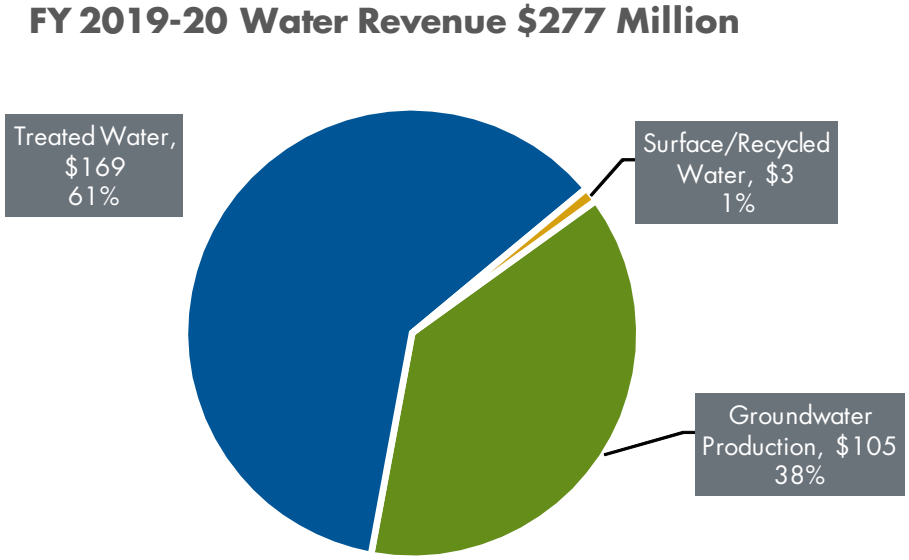
The Other Operating and Non-Operating Revenue category totals $3.8 million for FY 2019-20. Approximately $1.6 million is budgeted for the Watersheds, $2.0 million for Water Utility and $0.2 million for the Internal Service Funds.

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted	
					$ Diff	% Diff
Intergovernmental Services						
Watershed Funds	$ 1,222,018	$ —	$ —	$ —	$ —	—
Safe Clean Water & Natural Flood Protection	92,567	—	—	—	—	—
Water Enterprise Fund	4,396,464	625,000	735,000	1,237,000	612,000	97.9%
Internal Service Funds	45,000	—	—	—	—	—
Total Intergovernmental Services	**$ 5,756,049**	**$ 625,000**	**$ 735,000**	**$ 1,237,000**	**$ 612,000**	**97.9%**
Capital Reimbursements						
Watershed Funds	$ 34,159,156	$ 12,443,000	$ 7,381,000	$ 7,286,000	$ (5,157,000)	(41.4)%
Safe Clean Water & Natural Flood Protection	12,257,050	9,126,000	13,618,000	13,476,000	4,350,000	47.7%
Water Enterprise Fund	4,350,071	1,355,000	5,480,000	11,856,000	10,501,000	775.0%
Total Capital Reimbursements	**$ 50,766,277**	**$ 22,924,000**	**$ 26,479,000**	**$ 32,618,000**	**$ 9,694,000**	**42.3%**

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted	
					$ Diff	% Diff
Other						
Watershed Funds	$ 4,385,881	$ 1,616,000	$ 1,616,000	$ 1,613,000	$ (3,000)	(0.2)%
Safe Clean Water & Natural Flood Protection	324,276	—	—	—	—	—
Water Enterprise Fund	5,218,296	935,000	825,000	1,017,000	82,000	8.8%
State Water Project Fund	1,213,428	1,000,000	1,000,000	1,000,000	—	—
Internal Service Funds	393,374	50,000	—	200,000	150,000	300.0%
Total Other	**$ 11,758,298**	**$ 3,601,000**	**$ 3,441,000**	**$ 3,830,000**	**$ 229,000**	**6.4%**
Total Intergov'l & Other Revenues	**$ 68,280,624**	**$ 27,150,000**	**$ 30,655,000**	**$ 37,685,000**	**$ 10,535,000**	**38.8%**

Water Revenue





Water Revenue

Valley Water's water revenue is comprised of charges for the following types of water usage:

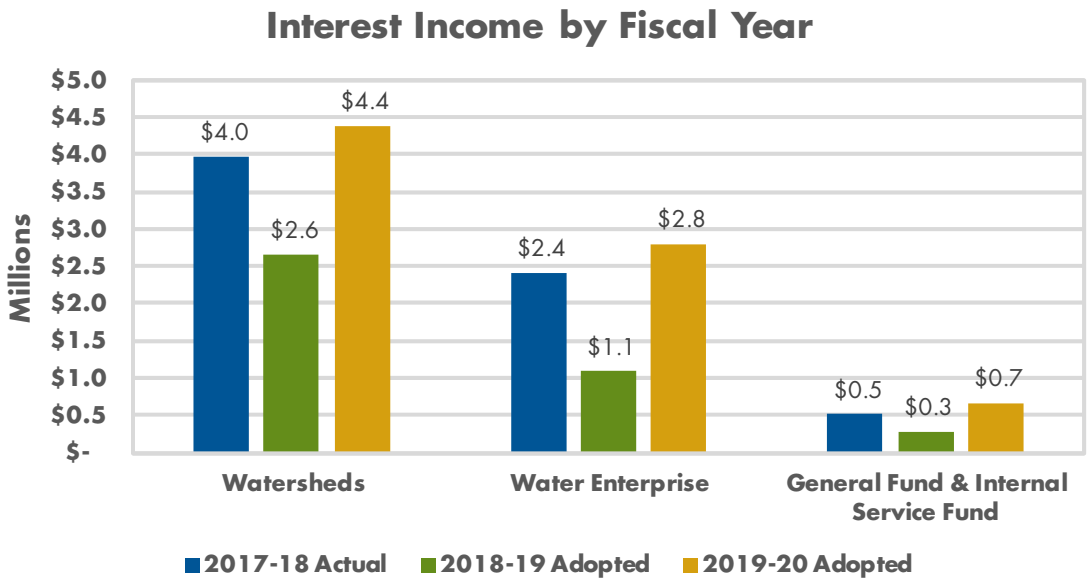
- **Groundwater Production**- Water produced by pumping from the underground water basins
- **Treated Water**- Water which has been processed through a Valley Water treatment plant
- **Surface Water**- Water diverted from streams, creeks, reservoirs, or raw water distribution lines
- **Recycled Water**- Wastewater which has been treated for use in crop irrigation, landscaping and industrial uses.

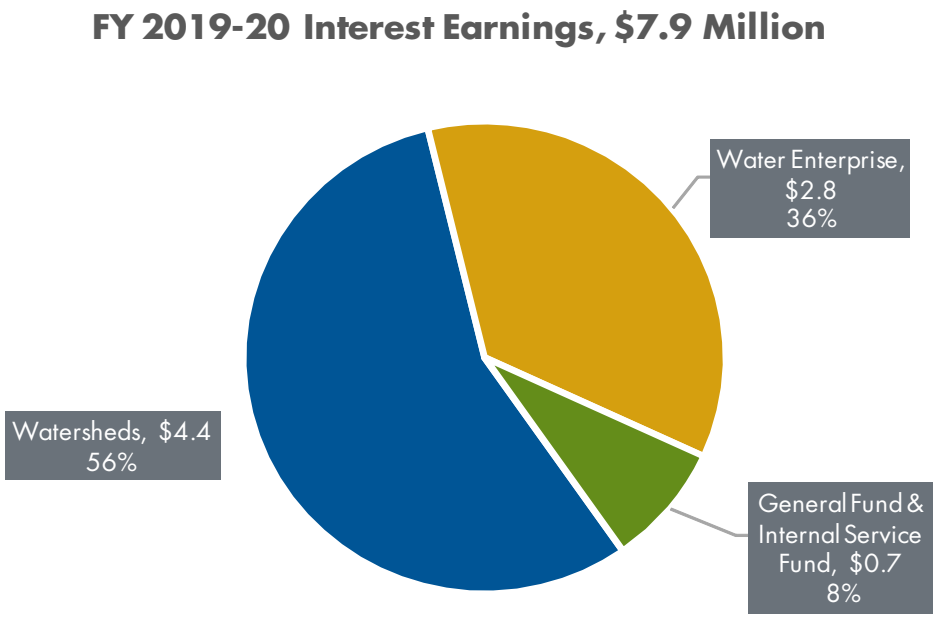
Water revenues budgeted for FY 2019-20 are based on staff's recommendation to the Valley Water's Board of Directors for water charges in the North County and South County zones. Revenue estimates reflect a 6.6% and 6.9% increase in groundwater production charges for the North County (Zone W-2) and South County (Zone W-5) respectively, relative to FY 2018-19. These increases in water charges are necessary to pay for critical investments in water supply infrastructure rehabilitation and upgrades, and the development of future drought-proof supplies, most notably purified water. The water charges are shown in the accompanying Water Enterprise Fund schedules.

The FY 2019-20 revenue projection assumes water usage of roughly 239,000 acre-feet; Treated water demand comprises 48%, groundwater comprises 50%, and surface water and District-delivered recycled water comprise approximately 2% of the assumed water use. Compared to the historical Valley Water managed water usage of 286,000 acre-feet in calendar year 2013, this projection equates to a 16% reduction. In addition, other sources, such as Hetch Hetchy and local retail water suppliers like San Jose Water Company, Stanford, and South Bay Water Recycling provide approximately 70,000 acre-feet of water to the Santa Clara County. Valley Water does not receive revenue for these sources of supply.

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted	
					$ Diff	% Diff
Water Revenue						
Groundwater Production	$ 97,482,517	$ 90,696,000	$ 90,696,000	$ 105,036,000	$ 14,340,000	15.8%
Treated Water	132,476,810	152,787,000	152,787,000	169,519,000	16,732,000	11.0%
Surface/Recycled Water	1,040,878	2,653,000	2,653,000	2,821,000	168,000	6.3%
Total Water Revenue	**$ 231,000,205**	**$ 246,136,000**	**$ 246,136,000**	**$ 277,376,000**	**$ 31,240,000**	**12.7%**

Interest Income





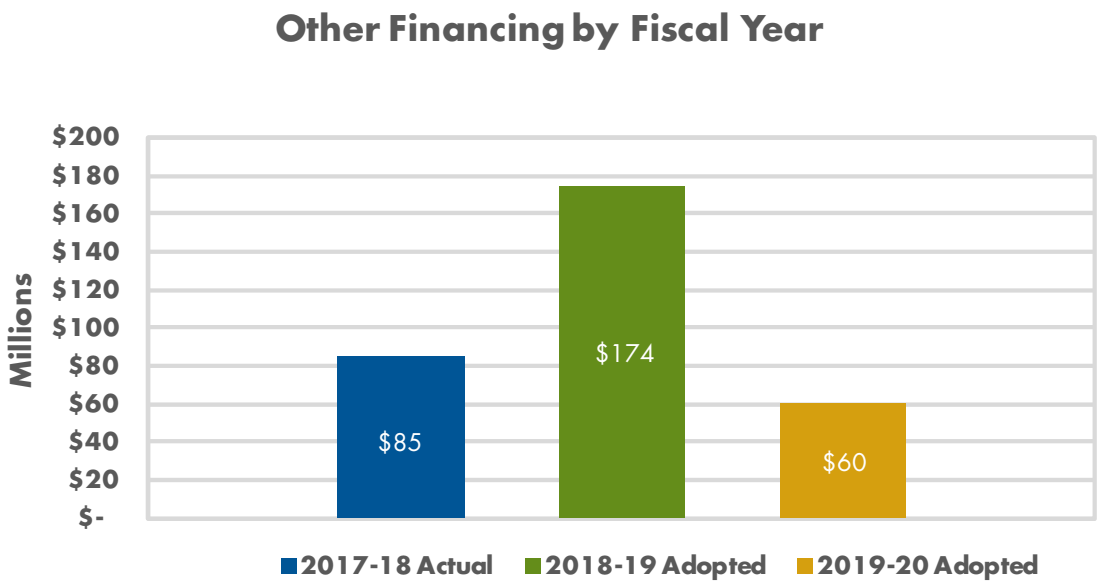
Interest Income

Valley Water invests funds not immediately required for daily operations in various securities as authorized by California Government Code 53600 et.al. Valley Water's investment policy limits portfolio holdings to obligations of the U.S. Treasury, U.S. federal agencies, the state of California's Local Agency Investment Fund, bankers acceptances, negotiable and time certificates of deposit, commercial paper, corporate notes and bonds, repurchase agreements, municipal obligations, mutual funds, and supranational obligations. Prohibited investments include securities not listed above, as well as fossil fuel companies, inverse floaters, range notes, interest-only strips derived from a pool of mortgages and any security that could result in zero interest accrual if held to maturity, as specified in Section 53601.6 of the California Government Code. For additional information regarding the Valley Water's investment policy, please visit: https://www.valleywater.org/how-we-operate/financebudget/investor-relations

The FY 2019-20 interest earnings revenues are estimated to be $7.9 million. The estimates are using an average portfolio yield of 2.0% which is a reflection of the overall market environment. The market, coupled with expected short-term liquidity needs for the 5-year Capital Improvement Plan will result in $3.9 million increase in projected earnings compared to prior year.

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted	
					$ Diff	% Diff
Interest Income						
Watershed Funds	$ 1,551,231	$ 978,000	$ 2,100,000	$ 1,990,000	$ 1,012,000	103.5%
Safe Clean Water & Natural Flood Protection	2,412,093	1,670,000	2,500,000	2,400,000	730,000	43.7%
Water Enterprise Fund	2,406,091	1,084,000	2,640,000	2,800,000	1,716,000	158.3%
General Fund	72,699	85,000	100,000	150,000	65,000	76.5%
Service Funds	435,808	183,000	460,000	510,000	327,000	178.7%
Total Interest Income	**$ 6,877,922**	**$ 4,000,000**	**$ 7,800,000**	**$ 7,850,000**	**$ 3,850,000**	**96.3%**

Other Financing



The Other Financing Sources and Uses category typically includes one-time or ongoing non-revenue financial transactions. Debt financing instruments in this category include commercial paper, revenue bonds, and certificates of participation (COPs). These financing instruments may be issued to assist in refunding and financing the costs of acquisition, design, construction, improvement, and installation of certain flood control facilities, Safe, Clean Water projects and Water Utility projects.

Valley Water anticipates issuing approximately $59.6 million in debt proceeds from the bonds or commercial paper in FY 2019-20 for the Water Utility Enterprise fund.

All planned debt financing is factored in the Valley Water's long-term financial forecast models to ensure that pledged revenues are sufficient to meet or exceed the targeted debt service coverage ratio.

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted $ Diff	Change from 2018-19 Adopted % Diff
Other Financing						
Bond Proceeds	$ —	$ 64,193,000	$ 64,193,000	$ 59,559,000	$ (4,634,000)	(7.2)%
Commercial Paper Proceeds	81,570,000	110,000,000	30,000,000	—	(110,000,000)	(100.0)%
Certificates of Participation	3,457,481	—	5,434,000	—	—	—
Total Other Financing	**$ 85,027,481**	**$ 174,193,000**	**$ 99,627,000**	**$ 59,559,000**	**$ (114,634,000)**	**(65.8)%**

This page left intentionally blank.

SALARIES AND BENEFITS

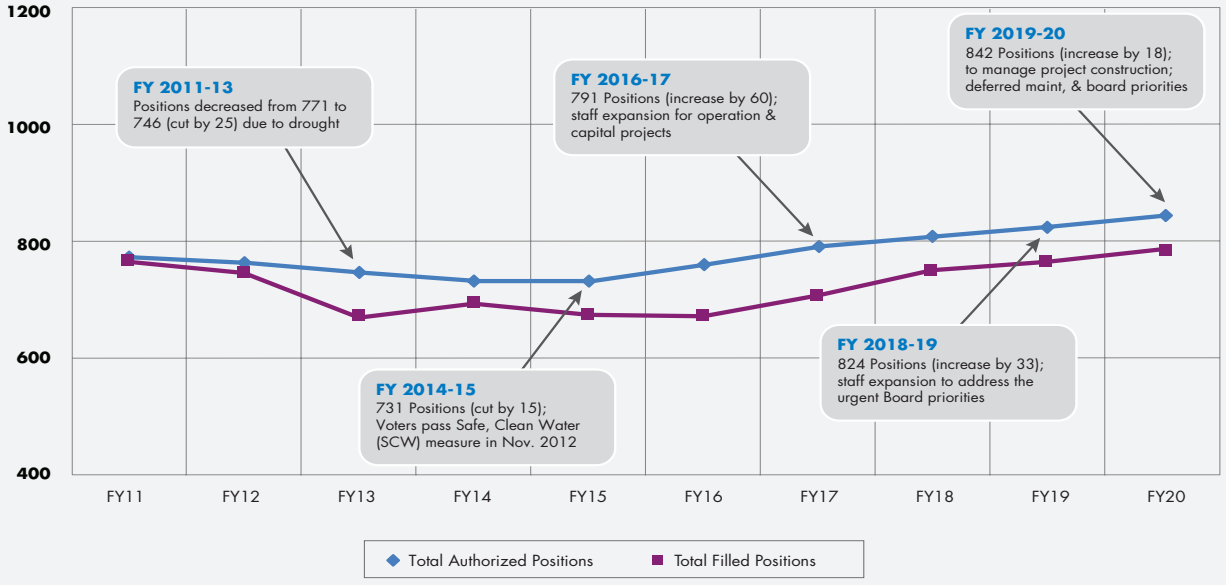
Salaries and Benefits

The FY 2019-20 salaries and benefits budget is based on 842 authorized positions and 4 management fellows. The total salaries budgeted for these positions are $111.5 million, an increase of $8.4 million from the FY 2018-19 adopted budget. The increase is primarily due to a 4% cost of living adjustment, and the funding for 11 new positions added during FY 2018-19, and another 18 new positions requested in FY 2019-20. Total salaries for FY 2019-20 include $112.2 million in regular salaries less $4.7 million salary savings, and $3.9 million in overtime and special pay.

Total benefits are budgeted at $58.5 million, a 6% increase over the FY 2018-19 adopted budget, which includes a $1.2 million increase in CalPERS contributions, a $1.9 million increase in medical costs for active and retired employees, and $0.2 million decrease in payroll taxes and other benefits.

A comprehensive organizational chart and detail information by division is included in the Division Summaries chapter.

District Staffing Trends, FY 2011-2020



Salaries and Benefits

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted $ Diff	Change from 2018-19 Adopted % Diff
SALARIES						
Salaries-Regular Employee	$ 90,454,665	$ 103,536,995	$ 104,930,402	$ 112,214,278	$ 8,677,283	8.4%
Overtime	1,954,122	2,969,864	2,969,864	3,105,012	135,148	4.6%
Special Pays	665,406	932,651	932,051	889,231	(43,420)	(4.7)%
Salary Savings	—	(4,371,912)	(4,371,912)	(4,740,108)	(368,196)	8.4%
Total Salaries	**$ 93,074,193**	**$ 103,067,598**	**$ 104,460,405**	**$ 111,468,413**	**$ 8,400,815**	**8.2%**
BENEFITS						
Fed & State Taxes & Benefits	$ 1,363,006	$ 1,308,855	$ 1,308,855	$ 1,416,633	$ 107,778	8.2%
Retirement Contributions	20,804,755	28,120,304	28,120,304	29,344,421	1,224,117	4.4%
Group Ins-Active Employees	13,523,269	15,436,161	15,436,161	16,413,092	976,931	6.3%
Group Ins-Retired Employees	9,546,137	10,383,712	10,383,712	11,358,000	974,288	9.4%
Other Post Employment Benefits (OPEB)	3,000,000	—	—	—	—	—
Total Benefits	**$ 48,237,167**	**$ 55,249,032**	**$ 55,249,032**	**$ 58,532,146**	**$ 3,283,114**	**5.9%**
Net Total Salary & Benefits	**$ 141,311,360**	**$ 158,316,630**	**$ 159,709,437**	**$ 170,000,559**	**$ 11,683,929**	**7.4%**
Total 1% Allocation					**$ —**	

Budget Hours

	Labor Hours 2017-2018	Labor Hours 2018-19	Labor Hours 2018-19	Labor Hours 2019-20	Change from 2018-19 Adopted # Diff	Change from 2018-19 Adopted % Diff
Salaries-Regular Employee	1,289,010	1,432,456	1,454,069	1,483,340	50,884	3.6%
Overtime	22,621	30,724	30,724	28,837	-1,887	(6.1)%
Compensated Absences	233,606	260,371	262,029	268,664	8,293	3.2%
Total Salaries	**1,545,238**	**1,723,551**	**1,746,822**	**1,780,841**	**57,290**	**3.3%**

Summary of Positions

	Adopted Budget FY 2017-2018	Adopted Budget FY 2018-19	Adjusted Budget FY 2018-19**	Adopted Budget FY 2019-20	Position Change
Board Appointed Officers*	35	77	103	104	1
External Affairs	28	32	35	36	1
IT & Administrative Services	195	149	122	122	—
Water Utility	332	334	341	341	—
Watersheds	219	221	223	239	16
Total Authorized Positions	**809**	**813**	**824**	**842**	**18**
Fellowships***	4	4	4	4	—
Total	**813**	**817**	**828**	**846**	**18**

(*) Board Appointed Officers Include: Chief Executive Officer, District Counsel and Clerk of the Board

(**) In FY 18-19, Human Resources Division was transferred from IT & Administrative Services to the Office of the CEO; Board approved additional 11 new positions for Pacheco Reservoir Expansion Project

(***) The Fellowship program is a pilot program, for FY2019-20, total authorized positions are 842 plus 4 fellowships

This page left intentionally blank.

DEBT SERVICE

Debt Service Overview

Provisions of the state constitution, laws, and various portions of Sections 14 and 25 of the District Act authorize the Board of Directors (Board) to incur debt under certain conditions and to issue bonds in a form designated by resolution of the Board, including designation of which participating watersheds are affected by the issuance of new debt. Sections 25.1 and 25.2 of the District Act authorize the Board to issue revenue bonds for the Water Enterprise Fund. The District's debt issuance practices are governed under the California Government and Water codes. The District Act authorizes short-term debt (maturity of less than five years) of up to a limit of $8 million. Other provisions of state law authorize the issuance of short-term debt up to a specified percentage of revenue anticipated within a period of time.

Specifically, the District may issue short term notes under the tax and revenue anticipation note statute included in the California Government Code (Sections 53850-53858). Under the tax and revenue anticipation note statute, the District may issue notes for principal and interest which do not exceed 85% of the uncollected revenues of the District on the date such notes are issued (and subject to certain other limitations including a 15-month maturity provision). Section 53851 provides that the tax and revenue anticipation note statute is separate authority for the District to issue notes and any amount borrowed under the tax and revenue anticipation note statute is not limited by any other provision of law.

Board Policies - Executive Limitations

In addition to statutory requirements, the Board has adopted policies (Executive Limitations) related to debt:

EL-4.7 states that a Board Appointed Officer (BAO) shall:

"Not indebt the organization, except as provided in the District Act, and in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 90 days, or prior to the close of the fiscal year." Furthermore, the BAO shall:

- 4.7.1. Not issue debt (long or short-term obligations that are sold within the financial marketplace) that conflicts with the District Act or the legal authority of the District, and without Board authorization;
- 4.7.2. Not issue debt without a demonstrated financial need;
- 4.7.3. Meet debt repayment schedules and covenants of bond documents;
- 4.7.4. Establish prudent District Debt Policies that are consistent with Board policies and provide guidance to District staff in regards to administering the debt programs and agreements, including consideration for the appropriate level of debt for the District to carry and structuring debt repayment to address intergenerational benefits;
- 4.7.5. Be consistent with the District's Debt Policies and any addendums when issuing debt;
- 4.7.6. Maintain strong credit ratings and good investor relations.

Debt Policy

The Santa Clara Valley Water District proactively manages its outstanding liabilities to ensure access to the credit markets at the lowest available borrowing cost, to preserve strong credit standing with the municipal rating agencies, to fulfill its fiduciary responsibility to its customers, and to provide high quality water service, stream stewardship and flood protection at the lowest possible cost. Consistent with these commitments, the District shall periodically review the cost of its outstanding liabilities for opportunities to appropriately reduce these costs through refinancing or restructuring. The CEO shall present the results of these periodic reviews to the Board of Directors.

Covenants and agreements related to outstanding Certificates of Participation and Revenue Bonds are encompassed within the criteria of Senior Master Resolutions adopted on June 23, 1994 (as amended

from time to time), and the Parity Master Resolution adopted on February 23, 2016 (as amended from time to time). Coverage ratios required for debt service are set at 1.25 times the annual debt service for senior and parity lien debt. The District is in compliance with all coverage ratio requirements for all outstanding debt. For additional information regarding the District's debt policy, please visit: https://www.valleywater.org/how-we-operate/financebudget/investor-relations.

Bond Ratings

The bond ratings for the District's outstanding debt reflect high grade investment quality debt. They are based on the District's positive fiscal policy and financial strengths. The bond ratings are either the highest for a water related governmental entity in the State of California or among the highest. Bonds issued at this credit rating result in lower interest rates and corresponding lower debt service payments.

Outstanding Debt

Total debt includes Certificates of Participation (COPs), Commercial Paper and Revenue Bonds of $752.4 million as of June 30, 2019. Scheduled annual debt service for FY 2019-20 is approximately $58.6 million including fees. There are no balloon payments in the future years or significant fluctuations in annual debt service.

Currently outstanding for the Watersheds are Series 2017A COPs, with a final maturity of 2030 and the 2012A COPs, with a final maturity of 2024. Debt service for these COPs is paid via benefit assessments, which are collected based on 125% of the annual debt service. Currently outstanding for the Water Utility are 2006B Water Revenue Refunding Bonds with a final maturity of 2035, the 2007B Revenue Certificates of Participation with a final maturity of 2037, the Water System Refunding Revenue Bonds 2016A/B with a final maturity of 2046, the Revenue Certificates of Participation 2016C/D with a final maturity of 2029, the Water System Refunding Revenue Bonds 2017A with a final maturity of 2037, the Water System Refunding Revenues Bonds Series 2019A/B with a final maturity of 2049, and the Commercial Paper Certificates which are secured by Tax and Revenue Anticipation Notes that are subject to annual reauthorization by the District Board.

Planned Issuances

The District is planning the issuance of debt to finance the Safe, Clean Water program and the Water Utility Enterprise to finance the long-term capital improvement plan. The source of debt service repayment for the Safe, Clean Water program will be the special parcel tax approved by Santa Clara County voters in the November 6, 2012 election. Debt service for the Water Utility Enterprise is paid from water revenues. Bond covenants stipulate that the District must maintain a minimum 1.25 debt service coverage ratio on all senior and parity bonds. Based on the financial models from the Water Utility Enterprise Finance organization, the projected debt service coverage ratios are as follows:

- FY 2019-20: 3.37
- FY 2020-21: 3.31
- FY 2021-22: 2.99
- FY 2022-23: 2.54
- FY 2022-23: 2.47

(Source: FY 2019-20 Annual Report on the Protection and Augmentation of Water Supplies)

Investment Portfolio

The District's investment portfolio is invested with the following three priorities in mind: safety, liquidity and yield. Safeguarding taxpayers' money and ensuring that the District has funds available when needed to meet expenditures are the two most important goals. Once those goals are satisfied, the District strives to earn a market rate of return on its investments. About 80% of the portfolio is invested in government securities, such as federal agency notes and US treasury notes. The remainder of the portfolio is invested in instruments of the highest credit quality and in highly liquid instruments such as the Local Agency Investment Fund and money market mutual funds.

The investment holdings are reviewed for compliance with the District's investment policy and California State Government Code by accounting staff on a monthly basis and by the District's independent auditor on an annual basis. In addition, the District's investment committee holds meetings at least quarterly to review the portfolio performance.

In addition to statutory requirements, the Board has adopted policies (Executive Limitations or EL) related to investment:

EL-4.9 states that a Board Appointed Officer (BAO) shall:

- Not invest or hold funds of the District in accounts or instruments that are inconsistent with the following statement of investment policies:
- 4.9.1. Public funds not needed for the immediate necessities of the District should, to the extent reasonably possible, be prudently invested or deposited to produce revenue for the District consistent with the Board Investment Policy and applicable law.
- 4.9.2. The Treasurer or his or her designee shall submit quarterly investment reports to the Board as specified under Government Code Section 53646.4.9.3. No investments will be made in fossil fuel companies with significant carbon emissions potential.

Bond Rating

	Water Utitily		Watershed
	Senior Debt	Parity Debt	Debt
Moody's	Aa1	Aa1	Aa1
Standard & Poor's	AA-	N/A	AAA
Fitch	AA+	AA+	AA+

Debt Service Payments Schedule

	Principal	Interest	Total[1]
Watersheds Certificates of Participation			
2019/20	$ 8,075,000	$ 3,486,200	$ 11,561,200
2020/21	8,485,000	3,082,450	11,567,450
2021/22	8,860,000	2,703,500	11,563,500
2022/23	9,250,000	2,307,600	11,557,600
2023/24 and thereafter	38,900,000	7,218,100	46,118,100
Total	**$ 73,570,000**	**$ 18,797,850**	**$ 92,367,850**
Water Utility Revenue Bonds / Certificates of Participation [2]			
2019/20	$ 14,040,000	$ 23,615,515	$ 37,655,515
2020/21	15,150,000	26,844,137	41,994,137
2021/22	15,780,000	26,463,490	42,243,490
2022/23	16,455,000	25,781,573	42,236,573
2023/24 and thereafter	513,180,000	333,315,455	846,495,455
Total	**$ 574,605,000[2]**	**$ 436,020,170**	**$ 1,010,625,170**
Commercial Paper			
2019/20	$ —	$ 4,996,000	$ 4,996,000
2020/21	—	5,076,000	5,076,000
2021/22	—	8,046,000	8,046,000
2022/23	—	7,731,000	7,731,000
2023/24 and thereafter	90,000,000	33,300,000	123,300,000
Total	**$ 90,000,000**	**$ 59,149,000**	**$ 149,149,000**
Total All Outstanding Debt			
2019/20	$ 22,115,000	$ 32,097,715	$ 54,212,715
2020/21	23,635,000	35,002,587	58,637,587
2021/22	24,640,000	37,212,990	61,852,990
2022/23	25,705,000	35,820,173	61,525,173
2023/24 and thereafter	642,080,000	373,833,555	1,015,913,555
Total	**$ 738,175,000**	**$ 513,967,020**	**$ 1,252,142,020**

(1) Annual debt service payments reflect principal and interest only and exclude fees.
(2) Water Utility projected principal and interest payments include the anticipated issuances of Series 2020A and 2020B

Status of Bonded Indebtedness, Certificates of Participation, and Commercial Paper[1]

	Total Amount Sold	Date of Issue	True Interest Rate	Outstanding as of 6/30/19	2019-2020 Debt Service Payments		
					Principal	Interest	Total
Watersheds Indebtedness							
2017A COPs[2]	$ 59,390,000	3/7/2017	2.555%	$ 50,030,000	$ 3,765,000	$ 2,501,500	$ 6,266,500
2012A COPs	52,955,000	11/20/2012	1.409%	23,540,000	4,310,000	984,700	5,294,700
Safe, Clean Water Commercial Paper[3]		various	3.800%	60,000,000	—	2,316,000	2,316,000
Total Watersheds	**$ 112,345,000**			**$ 133,570,000**	**$ 8,075,000**	**$ 5,802,200**	**$ 13,877,200**
Water Utility Indebtedness							
2006 Water Utility Refunding Revenue Bonds							
Series B - taxable	$ 25,570,000	12/21/2006	5.356%	$ 18,155,000	$ 815,000	$ 963,106	$ 1,778,106
Total	**$ 25,570,000**			**$ 18,155,000**	**$ 815,000**	**$ 963,106**	**$ 1,778,106**
2007 Water Utility Revenue Certificates of Participation							
Series B - taxable/floating[3]	$ 53,730,000	10/1/2007	4.600%	$ 37,980,000	$ 1,470,000	$ 1,775,000	$ 3,245,000
Total	**$ 53,730,000**			**$ 37,980,000**	**$ 1,470,000**	**$ 1,775,000**	**$ 3,245,000**
2016 Water Utility Refunding Revenue Bonds							
Series A	$ 106,315,000	3/30/2016	3.252%	$ 106,315,000	$ —	$ 5,315,750	$ 5,315,750
Series B - taxable	75,215,000	3/30/2016	4.319%	75,215,000	—	3,229,621	3,229,621
Total	**$ 181,530,000**			**$ 181,530,000**	**$ —**	**$ 8,545,371**	**$ 8,545,371**
2016 Water Utility Revenue Certificates of Participation							
Series C	$ 43,075,000	3/30/2016	2.128%	$ 38,045,000	$ 3,185,000	$ 1,902,250	$ 5,087,250
Series D- taxable	54,970,000	3/30/2016	3.136%	48,425,000	4,130,000	1,464,741	5,594,741
Total	**$ 98,045,000**			**$ 86,470,000**	**$ 7,315,000**	**$ 3,366,991**	**$ 10,681,991**
2017 Water Utility Revenue Bonds							
Series A	$ 54,710,000	5/2/2017	3.126%	$ 51,410,000	$ 1,780,000	$ 2,570,500	$ 4,350,500
2019 Water Utility Refunding Revenue Bonds							
Series A	$ 17,870,000	4/25/2019	3.770%	$ 17,870,000	$ 270,000	$ 890,800	$ 1,160,800
Series B - taxable	90,565,000	4/25/2019	5.280%	90,565,000	1,565,000	4,329,024	5,894,024
Total	**$ 108,435,000**			**$ 108,435,000**	**$ 1,835,000**	**$ 5,219,824**	**$ 7,054,824**
2020 Water Utility Refunding Revenue Bonds							
Series A	$ 31,720,000	12/1/2019	4.600%	$ 31,720,000	$ 290,000	$ 364,780	$ 654,780
Series B - taxable	58,905,000	12/1/2019	5.500%	58,905,000	535,000	809,944	1,344,944
Total	**$ 90,625,000**			**$ 90,625,000**	**$ 825,000**	**$ 1,174,724**	**$ 1,999,724**
Water Utility Commercial Paper[3]	—	various	4.800%	44,193,000	—	2,680,000	2,680,000
Total Water Utility	**$ 612,645,000**			**$ 618,798,000**	**$ 14,040,000**	**$ 26,295,516**	**$ 40,335,516**
Combined Total	**$ 724,990,000**			**$ 752,368,000**	**$ 22,115,000**	**$ 32,097,716**	**$ 54,212,716**

(1) Annual debt service payments reflect principal and interest only and exclude fees.
(2) Approximately $0.5M of the 2017A COPs annual debt service is funded by the general fund.
(3) The interest rates shown for the 2007B Water Utility COPs and Commercial Paper reflect the planning rates for variable rate bonds for budgeting purposes. The actual rates are subject to change pending actual market conditions throughout the fiscal year.

RESERVE POLICY AND FUND BALANCES

District Reserve Policy

The District Reserve Policy is reviewed annually with the Board of Directors pursuant to Executive Limitation 4.6 - Financial Planning and Budgeting - "At least annually present the Board with information about the District's financial reserves and schedule an opportunity for the public to comment thereon."

The Governmental Accounting Standards Board (GASB) 54 statement, issued in March 2009, required that governmental agencies adopt new standards of reporting fund balance no later than the first fiscal year beginning after June 15, 2010. While the GASB 54 requirement was specifically issued for governmental type funds, the District, under its conservative and prudent fiscal policy, extended the requirement to include the enterprise and internal service funds (Water Utility Enterprise, State Water Project, Fleet, Information Technology and Risk).

Key objectives of prudent financial planning are to ensure sufficient resources for current services and obligations, and to prepare for future anticipated funding requirements and unforeseen events. To meet these objectives, the District will strive to have sufficient funding available to meet its operating, capital, and debt service cost obligations. Reserve funds will be accumulated and managed in a manner that allows the District to fund costs consistent with the Capital Improvement Program, Integrated Water Resources Plan, and long range financial plans while avoiding significant water charge fluctuations due to changes in cash flow requirements. The District will also maintain a cash reserve position that may be utilized to fund unexpected fluctuations in revenues and operating/capital expenditures.

The level of reserves maintained and policies behind them are reviewed annually with the Board of Directors during budget deliberations.

Definitions

According to a GASB 54 statement issued in March 2009, there are four categories for reporting of fund balances depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund). NOTE: For the purpose of this reserve policy, only spendable fund balances are considered.
- Restricted fund balance - these are externally imposed legal restrictions or amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance - these are self-imposed limitations or amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- Assigned fund balance - these are amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

District reserves are comprised of Restricted Fund Balance reserves, Committed Fund Balance reserves and Assigned Fund Balance reserves. Within these categories are budgeted reserves and special purpose reserves which are defined as follows:

- Budgeted Reserves - Budgeted reserves may vary from those of the Comprehensive Annual Financial Report (CAFR) where it is appropriate to recognize actual cash transactions that are recorded in the CAFR as liabilities. Such adjustments include recognizing inter-fund loans, debt financing, and certain accruals as funding sources available for appropriation or as funding uses that reduce funds available for other purposes. These adjustments must be annually reconciled to the audited CAFR.
- Special Purpose Reserves, Water Utility Enterprise Fund – These reserves are per the Parity Master Resolution which allows establishment of special purpose reserves by District Board resolution. Amounts in the Special Purpose Reserves may be used to offset extraordinary expenses and to supplement District revenues to meet debt service coverage requirements. Special purpose reserves are restricted per debt financing agreements which are in accordance with bond covenants.

Restricted Reserves

Debt Service Reserve

These reserves were established for various bond issues. The funds are not available for general needs of the District and must be maintained as dictated in the bond covenants of the various issues. Not all bond issuances may have all of the following reserves, but the primary debt reserves are: Debt Service Reserve Fund (to fund payments should the District not be able to make debt service payments due to cash shortfalls), Arbitrage Rebate (to accumulate funds to offset the potential liability from excess earnings) and Debt Service Payment Fund (a pass-through reserve for initiating debt service payments).

Debt Proceeds Reserve

Bond covenants prescribe the use of debt financing proceeds. Debt proceeds typically fund capital projects as described in various bond issues. Debt proceeds, however, are not claimed until project expenses are incurred. Unclaimed debt proceeds are held in trust and identified in Debt Proceeds Reserves.

Rate Stabilization Reserve for Bond Covenant - Water Utility Enterprise Fund

The Parity Master Resolution for the Water Utility Enterprise requires the provision of a Rate Stabilization Reserve to offset expenses and revenue shortfalls, and to supplement District revenues to meet debt service coverage requirements. The minimum funding level is 10% of annual debt service due on all senior and parity obligations plus one month of adopted budget operations outlays. The specific level is to be financially prudent and based on reasonably anticipated needs.

San Felipe Emergency Reserve - Water Utility Enterprise Fund

This special purpose reserve is required by District contractual obligations with the U.S. Bureau of Reclamation for the operation and maintenance of the San Felipe Division of the Central Valley Project. The purpose of the reserve is to provide resources for unusual operation and maintenance costs incurred during periods of special stress caused by damaging droughts, storms, earthquakes, floods, or emergencies threatening or causing interruption of water service.

Use of this reserve requires authorization by the U.S. Department of the Interior. Per contract, the funding level is accumulated in annual deposits of $200,000 until the reserve totals $1.75 million after which interest earned on the reserve is deposited annually.

Silicon Valley Advanced Water Purification Center Reserve - Water Utility Enterprise Fund

This special purpose reserve serves as a fund for replacement of micro-filtration modules, reverse osmosis elements, and ultraviolet lamps at the Silicon Valley Advanced Water Purification Center (SVAWPC). Per the Recycled Water Facilities and Programs Integration Agreement between the City of San Jose and the Santa Clara Valley Water District dated March, 2010, the annual contribution to the reserve may be up to $810,000 starting in FY 2009-10 and adjusted

annually by 3% for inflation, thereafter, until such time that the reserve reaches the reserve cap. The reserve cap is set in FY 2013-14 at $2.6 million and is to be adjusted by 3% for inflation annually thereafter. The reserve cap is based on a five-year replacement schedule for the micro-filtration modules and reverse osmosis elements. The specific level of this reserve is to be set based on reasonably anticipated needs and uses.

Supplemental Water Supply Reserve - Water Utility Enterprise Fund

This special purpose reserve funds water banking activities, transfers, and exchanges necessary to augment supplies during water shortages and to sell or bank unused supplies when water resources are available. The minimum funding level is set at 20% - 50% of the annual imported water purchases budget based on prudent projections of hydrology, Delta conditions, and the water market.

Drought Reserve - Water Utility Enterprise Fund

This special purpose reserve funds drought response costs necessary to protect the residents, industry and riparian ecosystems of Santa Clara County, and to minimize water charge impacts during a drought emergency (as determined by the Board). To minimize water rate impacts, this reserve may be funded by Board direction to allocate actual surplus revenue that may have occurred during the prior year. Surplus revenue is defined as the positive difference between actual Water Utility operating revenue and budgeted Water Utility operating revenue. This reserve may also be funded by planned appropriations, which would be paid for by water rates and approved by the Board during annual water rate adoption. Drought response costs may include but not be limited to: water purchases and exchanges; special studies or system improvements related to delivery of water purchases; incremental conservation activities; and accelerated or opportunistic operations and maintenance activities spurred by the drought. The maximum funding level is set at 10% of adopted budget operating outlays.

Public-Private Partnership (P3) Reserve – Water Utility Enterprise Fund

This special purpose reserve provides a funding source for costs associated with the District's Public-Private Partnership (P3) to design, build, finance, operate and maintain the Expedited Purified Water Program. The minimum funding level for this reserve is $4 million, and the maximum is $20 million. The specific level is to be financially prudent and based on reasonably anticipated needs.

Guiding Principal #5 (GP5) Reserve – Water Utility Enterprise Fund

In May 2018, the District Board approved a resolution to establish GP5 – Equity and costs are important, to allow certain communities/agencies to receive District contributions in the form of additional, incremental, dedicated and segregated funds exclusively for water conservation programs, recycled water, purified water, wastewater treatment plant environment updates, automatic meter infrastructure (AMI) updates, or dedicated environmental focused grants from FY 2019 through FY 2024, subject to 20% matching funds from the communities receiving District contributions. This funding source is limited to communities/agencies that currently pay State Water Project tax but receive an average of 85% of their water supply from non-District managed supplies. The District's contributions shall not exceed the State Water Project taxes paid by these communities/agencies. Any unspent funds shall be returned to the District by FY 2026. The GP5 reserve would be established in FY 2019-20 to set aside the unspent/unencumbered balances approved by the Board in FY 2018-19. The minimum funding level for this reserve is $0.

State Water Project Tax Reserve - Water Utility Enterprise Fund

The purpose of the State Water Project Tax Reserve is to

accumulate unspent funds for voter-approved State Water Project contract obligations. Funds accumulated in this reserve will be available to fund State Water Project contract obligations in subsequent years.

Currently Authorized Projects Reserve - Voter Approved Safe, Clean Water Fund

This reserve is designated to fund those capital projects that are included in the annually adopted 5-Year Capital Improvement Program (CIP) and which have had funding appropriated by the Board in prior years. The amount of this reserve for each fund at the end of a given fiscal year shall be based on the accumulated unexpended and unencumbered balances of Board-approved capital project appropriations remaining at the end of each fiscal year.

A portion of this reserve is automatically re-budgeted at the beginning of the following fiscal year consistent with those projects that have been identified in the 5-Year CIP for funding in that year. All remaining amounts shall stay in these reserves during the fiscal year unless a budget adjustment requiring the use of these reserves is approved by the Board. At the end of each fiscal year, these reserves shall also be adjusted for any capital projects that are closed out consistent with the 5-Year CIP.

Encumbrance Reserves - Voter Approved Safe, Clean Water Fund and State Water Project Fund

This reserve represents the balance of outstanding encumbrances (contractual commitments) at year end, for which the goods or services have not been received. The reserved fund balance is available for subsequent year expenditures based on the encumbered appropriation authority carried over to the next fiscal year. The funding level of this reserve will be adjusted annually, at year-end, based on the remaining balance of encumbrances still outstanding as of the end of the fiscal year.

Operating and Capital Reserve - Voter Approved Safe, Clean Water Fund

The purposes of this reserve are to ensure adequate working capital for cash flow needs and to provide a funding source for operating and capital needs that arise during the year. The funding level is a minimum of 50% of adopted budget operations outlays. The minimum level includes remaining available resources after the needs of all other reserves have been met. The specific level of this reserve is to be set based on reasonably anticipated needs.

Committed Reserves

Liability/Workers' Compensation Self-Insurance Reserve - Risk Fund

The Liability/Workers' Compensation Self-Insurance Reserve is to ensure that the District's self-insurance programs have adequate resources for general liability and workers' compensation ultimate payouts for both known and incurred but not reported claims.

Additionally, because of the District's high self-insured retention, and low claims volume, it also provides for reserve funds to cover one large liability loss which would otherwise virtually deplete existing reserves. The reserve is based on an independent actuarial evaluations conducted bi-annually for general liability and workers compensation programs. The reserve level is set each year based on the actuarially determined confidence level for total claims liabilities discounted to present value. The reserve is intended to be used for claim payouts that are greater than those budgeted.

The Board of Directors approved funding of Workers' Compensation Reserve at 90 percent actuarial confidence level and funding of General Liability Reserve at 90 percent confidence level at the April 28, 2009 board meeting.

Property Self-Insurance/Catastrophic Reserve - Risk Fund

The Property Self-Insurance/Catastrophic Reserve purposes are to provide for uninsured property losses to District facilities such as pipelines and levees and to provide sufficient funds to initiate repair and recovery of damage to District facilities in advance of FEMA activation and reimbursement. The reserve may be used to pay for uninsured/uninsurable property losses which would adversely impact District operations and/or to cover all or a portion of District-paid expenses necessary to initiate immediate service restoration efforts. It is anticipated that in most cases, the reserves would be replenished from later reimbursement by FEMA for costs initially paid from this reserve. The reserve funding level is a minimum of 5 million adjusted for outstanding reimbursements.

When this reserve is used, the corresponding reimbursements received are deposited in the Risk Management Fund to replenish the reserve directly or through subsequent adjustments to intra-District Risk Fund charges.

Floating Rate Debt Payment Stabilization Reserve - Water Utility Enterprise Fund

This reserve is intended to stabilize the debt service payments on floating rate debt which by its nature fluctuates constantly. This reserve will be for long-term floating rate debt and not short-term floating rate debt (i.e., commercial paper). The reserve will be funded initially at 10% of the floating rate debt service interest payment. The maximum amount is no more than 20% of total floating rate debt service interest payments for a fiscal year. Excess funds over 20% will be used to pay down floating rate debt when advisable (i.e., based on market conditions, future issuance plans, etc.). The minimum amount is 0. Should payments for floating rate interest in a given fiscal year exceed budgeted amounts, this reserve will be drawn down to provide stabilization of debt service interest payments.

Operating & Capital Reserve - except for Safe, Clean Water Fund

These reserves serve several purposes: to ensure adequate working capital for cash flow needs; to provide a funding source for operating and capital needs that arise during the year and, in the case of the water utility, to protect against revenue shortage caused by unusually wet years. The funding level for the Water Utility is a minimum of 15% of adopted budget operations outlays and a minimum of 50% for the Watershed Funds. For the General Fund and Internal Service Funds, the funding level is a minimum of 5% of total adopted budget operations outlays. The minimum level for each fund includes remaining available resources after the needs of all other reserves within those funds have been met. The specific level of this reserve is to be set based on reasonably anticipated needs.

Currently Authorized Projects Reserve - except for Safe, Clean Water Fund

These reserves are designated to fund those capital projects that are included in the annually adopted 5-Year Capital Improvement Program (CIP) and which have had funding appropriated by the Board in prior years. The amount of these reserves for each fund at the end of a given fiscal year shall be based on the accumulated unexpended and unencumbered balances of Board approved capital project appropriations remaining at the end of each fiscal year.

A portion of these reserves are automatically re-budgeted at the beginning of the following fiscal year consistent with those projects that have been identified in the 5-Year CIP for funding in that year. All remaining amounts shall stay in these reserves during the fiscal year unless a budget adjustment requiring the use of these reserves is approved by the Board. At the end of each fiscal year, these reserves shall also be adjusted for any capital projects that are closed out consistent with the 5-Year CIP.

Assigned Reserves

Encumbrance Reserves - except for Safe, Clean Water Fund and State Water Project Fund

These reserves are designated to fund those capital projects that are included in the annually adopted 5-Year Capital Improvement Program (CIP) and which have had funding appropriated by the Board in prior years. The amount of these reserves for each fund at the end of a given fiscal year shall be based on the accumulated unexpended and unencumbered balances of Board approved capital project appropriations remaining at the end of each fiscal year.

A portion of these reserves are automatically re-budgeted at the beginning of the following fiscal year consistent with those projects that have been identified in the 5-Year CIP for funding in that year. All remaining amounts shall stay in these reserves during the fiscal year unless a budget adjustment requiring the use of these reserves is approved by the Board. At the end of each fiscal year, these reserves shall also be adjusted for any capital projects that are closed out consistent with the 5-Year CIP.

Market Valuation Reserves

The reserves for market valuation represent the increase/gain (only) in the market value of the District's pooled investments as of the end of the fiscal year as a result of its compliance with the provisions of Government Accounting Standard Board Statement No. 31 (GASB 31), Accounting and Financial Reporting for Certain Investments and for External Investment Pools. GASB 31 requires the District to report investments at fair market value in the Statement of Net Assets, the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Because of this requirement, investment income must be adjusted to reflect the fair value change from one fiscal year to the next fiscal year. However, the District's investment policy dictates a buy-and-hold strategy in which, with very few exceptions, the District holds all securities to their maturity, thereby not incurring loss or gain that could impact the size and yield of the investment portfolio. These reserves do not represent cash available for appropriation and were established to ensure that the increase in the investment value does not result in an overstatement of funding available for expenditure.

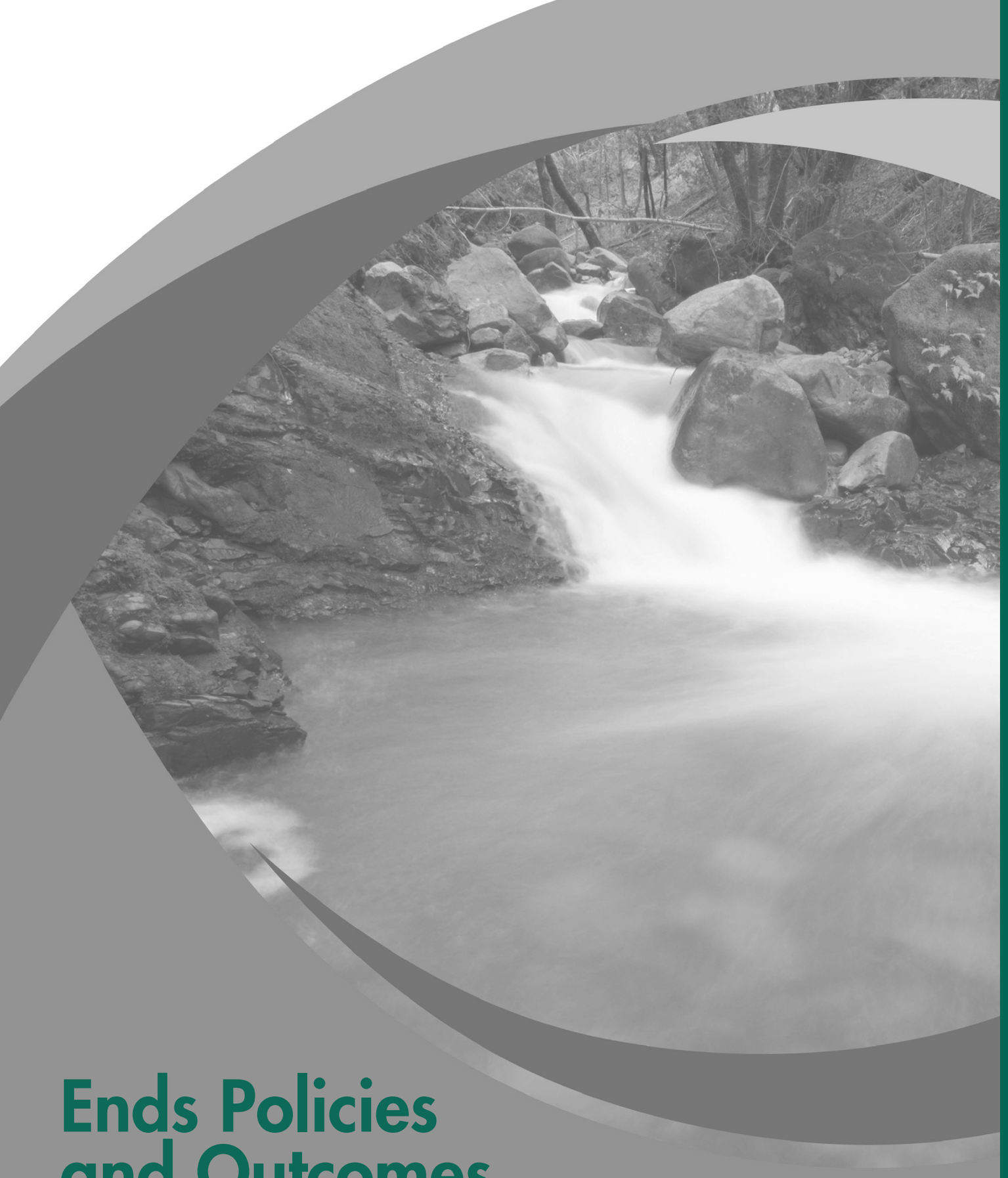
Reserves Schedule

	Estimated Balances				Change from 2018-19 Adopted	
	Year-End 2017-18	Adopted 2018-19	Projected YE 2018-19	Adopted Budget 2019-20	$ Diff	% Diff
GENERAL FUND						
Committed Reserves						
Operating & Capital Reserve	$ 3,433,612	$ 4,565,381	$ 2,766,893	$ 4,318,026	$ (247,355)	(5.4)%
Currently Authorized Projects	500,000	—	—	—	—	—
Total General Fund Reserves	**$ 3,933,612**	**$ 4,565,381**	**$ 2,766,893**	**$ 4,318,026**	**$ (247,355)**	**(5.4)%**
SPECIAL REVENUE FUNDS (WATERSHEDS)						
Restricted Reserves						
Operating & Capital Reserve	$ 31,111,599	$ 123,269,436	$ 65,045,956	$ 90,654,986	$ (32,614,450)	(26.5)%
Currently Authorized Projects	105,500,737	16,134,748	61,384,000	25,418,000	9,283,252	57.5%
Total Resticted Reserves	**$ 136,612,336**	**$ 139,404,184**	**$ 126,429,956**	**$ 116,072,986**	**$ (23,331,198)**	**(16.7)%**
Committed Reserves						
Operating & Capital Reserve	$ 74,688,993	$ 70,230,488	$ 79,516,618	$ 70,522,113	$ 291,625	0.4%
Currently Authorized Projects	38,984,165	6,357,396	19,703,000	11,673,000	5,315,604	83.6%
Total Committed Reserves	**$ 113,673,158**	**$ 76,587,884**	**$ 99,219,618**	**$ 82,195,113**	**$ 5,607,229**	**7.3%**
Total Special Revenue Funds Reserves	**$ 250,285,494**	**$ 215,992,068**	**$ 225,649,574**	**$ 198,268,099**	**$ (17,723,969)**	**(8.2)%**
Total Governmental Funds	**$ 254,219,106**	**$ 220,557,449**	**$ 228,416,467**	**$ 202,586,125**	**$ (17,971,324)**	**(8.1)%**
WATER ENTERPRISE & STATE WATER PROJECT FUNDS						
Restricted Reserves						
WUE- Rate Stabilization Reserve	$ 21,066,011	$ 22,477,551	$ 22,477,551	$ 23,467,000	$ 989,449	4.4%
San Felipe Emergency Reserve	3,039,874	3,053,130	3,053,130	3,103,000	49,870	1.6%
State Water Project Tax Reserve	12,777,981	4,725,400	10,883,272	4,815,690	90,290	1.9%
WUE Public-Private Partnership (P3) Reserve	—	4,000,000	4,000,000	8,000,000	4,000,000	100.0%
WUE- Supplemental Water Supply	14,677,141	14,677,000	14,677,000	15,077,000	400,000	2.7%
SV Advanced Water Purification Center	1,906,000	986,000	1,066,000	1,066,000	80,000	8.1%
Drought Reserve	5,000,000	7,000,000	7,000,000	10,000,000	3,000,000	42.9%
Total Restricted Reserves	**$ 58,467,007**	**$ 56,919,081**	**$ 63,156,953**	**$ 65,528,690**	**$ 8,609,609**	**15.1%**
Committed Reserves						
Operating & Capital Reserve	$ 20,485,996	$ 37,278,868	$ 27,182,770	$ 41,436,874	$ 4,158,006	11.2%
Currently Authorized Projects	42,010,193	6,599,468	35,069,000	15,830,000	9,230,532	139.9%
Total Committed Reserves	**$ 62,496,189**	**$ 43,878,336**	**$ 62,251,770**	**$ 57,266,874**	**$ 13,388,538**	**30.5%**
Total Water Enterprise Funds Reserves	**$ 120,963,196**	**$ 100,797,417**	**$ 125,408,723**	**$ 122,795,564**	**$ 21,998,147**	**21.8%**

Reserves Schedule (Continued)

	Estimated Balances				Change from 2018-19 Adopted	
	Year-End 2017-18	Adopted 2018-19	Projected YE 2018-19	Adopted Budget 2019-20	$ Diff	% Diff
INTERNAL SERVICE FUNDS:						
Committed Reserves						
Operating & Capital Reserve	$ 6,419,453	$ 1,184,522	$ 4,444,921	$ 2,048,125	$ 863,603	72.9%
Currently Authorized Projects	11,461,229	441,273	10,220,000	2,304,000	1,862,727	422.1%
Liability/Workers' Comp Self Insurance	6,465,000	6,000,000	7,034,000	7,034,000	1,034,000	17.2%
Property Self Insurance/Catastrophic	8,733,047	5,014,194	6,002,303	6,113,912	1,099,718	21.9%
Total Committed Reserves	**$ 33,078,729**	**$ 12,639,989**	**$ 27,701,224**	**$ 17,500,037**	**$ 4,860,048**	**38.5%**
Total Internal Service Funds Reserves	**$ 33,078,729**	**$ 12,639,989**	**$ 27,701,224**	**$ 17,500,037**	**$ 4,860,048**	**38.5%**
Total Proprietary Funds	**$ 154,041,925**	**$ 113,437,406**	**$ 153,109,947**	**$ 140,295,601**	**$ 26,858,195**	**23.7%**
TOTAL RESERVE SUMMARIES						
Total Proprietary Funds	$ 154,041,925	$ 113,437,406	$ 153,109,947	$ 140,295,601	$ 26,858,195	23.7%
Total Governmental Funds	254,219,106	220,557,449	228,416,467	202,586,125	(17,971,324)	(8.1)%
Total Year-End Reserves	**$ 408,261,031**	**$ 333,994,855**	**$ 381,526,414**	**$ 342,881,726**	**$ 8,886,871**	**2.7%**
Total Restricted Reserves	195,079,343	196,323,265	189,586,909	181,601,676	(14,721,589)	(7.5)%
Total Committed Reserves	213,181,688	137,671,590	191,939,505	161,280,050	23,608,460	17.1%
Total Year-End Reserves	**$ 408,261,031**	**$ 333,994,855**	**$ 381,526,414**	**$ 342,881,726**	**$ 8,886,871**	**2.7%**

This page left intentionally blank.



Ends Policies and Outcomes

FY 2019-20

Operating and Capital Budget

ENDS POLICIES AND OUTCOMES

Ends Policies and Outcomes

Introduction

Valley Water plans, manages and carries out work to meet policies established by its Board of Directors.

Under the Valley Water's form of Policy Governance, these "Ends" policies describe the mission, outcomes or results to be achieved by Valley Water staff. Balancing the Ends policies are Executive Limitations, which set limits on staff activities in fulfilling the Ends. Alignment of plans and resources with the Ends policies helps the Board fulfill the critical responsibility of defining, balancing and prioritizing "what benefits, for what people, at what cost," and enhances Valley Water staff's accountability in using budgeted resources to accomplish those ends.

This chapter describes the Valley Water's budget by Ends policies and outcomes, showing the alignment of resources with Board policies and goals that relate to those policies.

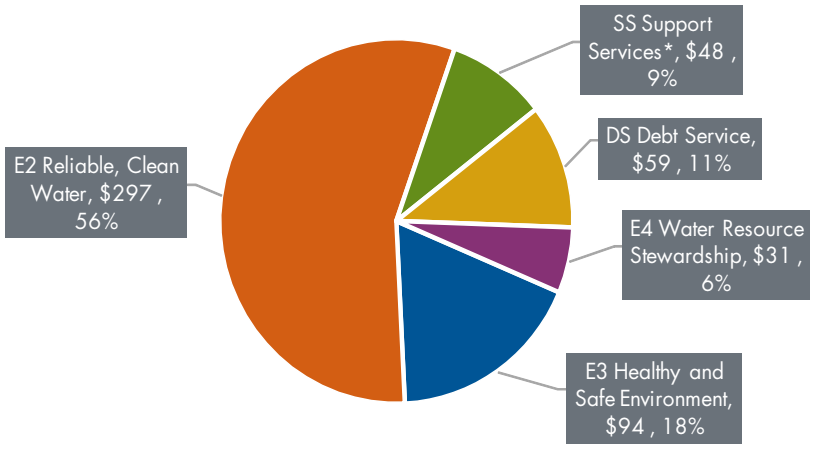
The Fiscal Year 2019-20 table below displays the latest version of the Ends Policies of the Santa Clara Valley Water District Board of Directors.

District wide budget by Ends and Support Services

Ends Code	Ends Description	FY 2019-20 Adopted Budget
E2	**Reliable, clean water supply for current and future generations**	**296,702,314**
E3	**Healthy and safe environment for residents, businesses, and visitors, as well as for future generations**	**94,395,645**
E4	**Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.**	**30,800,600**
SS	**Support Services**	**129,238,268**
DS	**Debt Service**	**58,607,155**
Grand Total		**609,743,983**
Minus Intradistrict Reimbursements		**(80,846,964)**
Net Budget		**528,897,018**

Ends Policies and Outcomes

FY 2019-20 Total Net Outlays $529 Million



*Support Services total is net of intra-district reimbursements. (e.g. overhead costs charged to projects for administrative support services such as human resource and information technology etc.)

Goal Code	Goal Description	FY 2019-20 Adopted Budget
E2.1	Current and future water supply for municipalities, industries, agriculture and the environment is reliable.	171,261,366
E2.2	Raw water transmission and distribution assets are managed to ensure efficiency and reliability.	54,241,094
E2.3	Reliable high quality drinking water is delivered.	71,199,854
E3.1	Provide natural flood protection for residents, businesses, and visitors	80,592,111
E3.2	Reduce potential for flood damages	13,803,534
E4.1	Protect and restore creek, bay, and other aquatic ecosystems.	28,302,711
E4.2	Improved quality of life in Santa Clara County through appropriate Public access to trails, open space and District facilities.	1,895,576
E4.3	Strive for zero net greenhouse gas emission or carbon neutrality.	602,313
SS.1	BAO & District Leadership	22,713,568
SS.2	Financial Planning & Management Services	15,124,393
SS.3	Human Resources Services	11,630,567
SS.4	Information Management Services	22,877,686
SS.5	Corporate Business Assets	31,655,599
SS.6	General Management & Administration	29,976,563
SS.7	Salary Savings	(4,740,108)
DS.1	Debt Service	58,607,155
Grand Total		609,743,983
Minus Intradistrict Reimbursements		(80,846,964)
Net Budget		528,897,018

Goal Code	Goal Description	FY 2019-20 Adopted Budget
E2.1	**Current and future water supply for municipalities, industries, agriculture and the environment is reliable.**	**171,261,366**

This section provides resources for Valley Water activities needed to protect and maintain groundwater basins; protect, maintain and develop local water, imported water, and recycled water; manage, operate and maintain dams and reservoirs; and maximize water use efficiency, water conservation, and demand management opportunities.

The largest budget item is for imported water purchases from the federal Central Valley Project (CVP) and the State Water Project (SWP) for a total amount of $58.6 million. Groundwater banking expenses of $2.5 million are budgeted for annual operations and maintenance costs associated with participating in Semitropic Water Storage Valley Water water banking activities. Also included is funding to cover Valley Water's contribution to ongoing planning anticipated for the California Water Delta Conveyance Program. On average, about 40% of Valley Water's water supply is from imported water resources.

Locally, Valley Water owns and operates 10 surface reservoirs, 17 miles of canals, four water supply diversion dams, 393 acres of recharge ponds and various infrastructure to interconnect these facilities. Funding to study the acquisition and expansion of an eleventh surface reservoir, Pacheco, is included in this budget.

Valley Water conducts both short-term and long-term water supply planning. These planning activities include coordinating operations among other agencies with shared supplies or infrastructure, identifying and evaluating short-term and long-term water supply options including water conservation, implementing our water shortage contingency plan in times of drought, and optimizing the use of available supplies. These planning efforts guide Valley Water's operations and investments to ensure water supply reliability and prevent adverse impacts like permanent land subsidence.

Water quality protection programs will continue to include monitoring of surface water supplies and the groundwater basin, implementation of Valley Water's groundwater well ordinance, and participation in the invasive mussel prevention program. Water quality protection programs reduce water treatment costs while providing drinking water that meets or surpasses all regulations, reduce contaminants in drinking water sources, and sustain water quality for current and future beneficial uses.

Funds in this section are also used to continue implementing the dam safety program, monitoring and maintaining all dams, maintaining the electrical and computerized systems that support operations, conducting infrastructure maintenance activities throughout the water supply system, and providing engineering and environmental support to water utility operations and maintenance efforts.

Valley Water's water conservation program budget includes residential, commercial/industrial, agricultural, and landscape rebates, and technical assistance, as well as water conservation grants, and a water conservation campaign. Long- term water conservation efforts reduce water demands by about 15 percent. This is in addition to short-term savings achieved during water shortages.

The FY 2019-20 budget requires a significant investment to continue expanding the Recycled and Purified Water Program (RPWP) through the development of a Countywide Water Reuse Master Plan (Countywide Master Plan) and a Reverse Osmosis Concentrate (ROC) Management Plan. The Countywide Master Plan will include quantification of the available

treated wastewater from each producer; propose system integration strategies/inter-ties; prepare updates to the South Bay Water Recycling Master Plan, develop a residuals management plan, a regulatory framework, recommended project alternatives, a governance framework, and a master plan report. The ROC Management Plan will evaluate viable alternatives for managing ROC generated from advanced water purification facilities to be potentially built throughout the County (e.g., San José, Sunnyvale, Palo Alto, Gilroy, and Morgan Hill).

The budget for this section also includes funds for the Fish and Aquatic Habitat Collaborative Effort (FAHCE).

The Valley Water has been working to resolve a water rights complaint in Coyote Creek, the Guadalupe River, and Stevens Creek. Resolution of the complaint includes filing water rights change petitions, finalizing a Fish Habitat Restoration Plan (FHRP) and Environmental Impact Report (EIR) and obtaining federal and state permits from several regulatory agencies. This year's budget includes funds to support the completion of the FHRP and EIR; continuing with the water rights change petition and biological monitoring; and, planning for application for Lake and Stream Alteration Agreements.

Goal Code	Goal Description	FY 2019-20 Adopted Budget
E2.2	**Raw water transmission and distribution assets are managed to ensure efficiency and reliability.**	**54,241,094**

The budget for this section includes funds for the safe operation and maintenance of the raw water system to distribute raw water to the three water treatment plants and groundwater recharge facilities. This includes the inspection, monitoring, and repair of 77 miles of large diameter pre-stressed concrete cylinder pipe (PCCP) to mitigate the risk of catastrophic pipeline failure.

Goal Code	Goal Description	FY 2019-20 Adopted Budget
E2.3	**Reliable high quality drinking water is delivered.**	**71,199,854**

The budget for this section includes funds for operating and maintaining the three water treatment plants, the treated water transmission and distribution system, the Campbell well field and the SFPUC/SCVWD intertie facility. In FY 2019-20, approximately 100,000 acre-feet of water is expected to be treated by Valley Water's three water treatment plants and delivered to the treated water retailers. Also included are funds for treatment plant water quality process support and the operation of Valley Water's water quality laboratory.

.

Goal Code	Goal Description	FY 2019-20 Adopted Budget
E3.1	**Provide natural flood protection for residents, businesses, and visitors**	**80,592,111**

This section provides for the construction of capital flood protection projects and the preservation of flood conveyance capacity of streams and other channels.

The best available science is utilized to minimize the effects on the environment and protect habitat.

In FY 2019-20, 3 (three) flood protection projects will be in construction and 3 (three) projects will be in planning/ design phase. Additionally, there are 3

(three) erosion repair projects under the Watershed Asset Rehabilitation Program.

Other efforts to maintain flood conveyance capacity include sediment removal of approximately 20,000 to 50,000 cubic yards, debris removal and the control of 2,720 acres of upland vegetation for access and 619 acres of in-stream vegetation for stream capacity. In addition, watershed facility conditions will be assessed, and levees will be inspected (approximately 100 miles) and maintained (approximately 40,000 LF).

The FY 2019-20 budget also includes: a comprehensive tree maintenance program to provide a streamlined environmental and permitting process to facilitate the pruning, removal and mediation of hazards associated with trees; and pursuance of modifications to the Stream Maintenance Program permit to ensure sustainability of county flood protection improvements.

Goal Code	Goal Description	FY 2019-20 Adopted Budget
E3.2	**Reduce potential for flood damages**	**13,803,534**

This section provides for activities that reduce the potential for flood damages. Such activities include a floodplain mailer and a countywide flood awareness campaign, both of which help businesses and residents be prepared before, during and after a flood.

Additional efforts include, implementing the Water Resource Protection Ordinance; implementing the Encroachment Remediation and Prevention Plan; consulting with and supporting external agencies for floodplain management; and maintaining and improving our flood warning system.

A major component in this section is flood emergency planning and response. To ensure readiness, staff will participate in inter-agency training exercises at the state and countywide level as well as those specific to our emergency operations.

In addition, Valley Water partners with other public agencies for a unified approach when providing flood response. At least 40,000 filled sandbags, as well as sand and empty bags, are also provided as a courtesy to the public and other agencies.

Goal Code	Goal Description	FY 2019-20 Adopted Budget
E4.1	**Protect and restore creek, bay, and other aquatic ecosystems.**	**28,302,711**

This section provides for the protection and restoration of various aquatic ecosystems through preservation, improvements to the watersheds, pollution prevention and engaging/educating the public about the importance of protecting water quality and stream stewardship.

With the 2012 passage of Safe, Clean Water and Natural Flood Protection Program, continued programs for FY 2019-20 include: establishing service indices for streams; reducing contaminants such as mercury; re-vegetating sites for mitigation; minimizing the use of pesticides where feasible; regularly removing trash in and around streams; providing grants for environmental enhancement and pollution prevention projects; creating fish habitat and passage; reusing sediment whenever possible; stabilizing stream banks and protecting water quality. FY2019-20 projects include the construction of Bolsa Fish Passage Improvement Project, while the Almaden Lake Improvements Project and Hale Creek Enhancement Pilot Study will be in the design phase.

FY 2019-20 work includes providing up to $200,000 per year for partnerships with municipalities for programs specific to reducing contaminants in

groundwater or surface water and $500,000 for grant projects; $500,000 for partnerships, $1.3 million for grant projects, and $200,000 for mini-grants for wildlife habitat restoration. The work also includes administering 50 existing grants and partnerships, and the development of Stream Stewardship Plans Stream Corridor Priority Plans.

Cleanup of encampments will once again be a high priority under Safe, Clean Water. Efforts are coordinated with numerous cities, the county and various non-profit agencies to provide assistance to camp inhabitants. Hazardous materials spill response within our fee and easement areas will also continue.

Goal Code	Goal Description	FY 2019-20 Adopted Budget
E4.2	**Improved quality of life in Santa Clara County through appropriate Public access to trails, open space and District facilities.**	**1,895,576**

This section promotes and supports access to trails and open space through various grants and community partnerships for planning, design, construction and maintenance. In FY 2019-20, Valley Water will continue to administer 4 existing open space and trail grants projects awarded since 2014. In addition, Valley Water is working with cities on trail implementation.

Goal Code	Goal Description	FY 2019-20 Adopted Budget
E4.3	**Strive for zero net greenhouse gas emission or carbon neutrality.**	**602,313**

This section provides for activities to identify and inventory Valley Water's greenhouse gas emissions and to create various means to reduce our carbon footprint.

Efforts will also be underway to better understand potential global climate change impacts and develop guidelines to respond to future challenges such as sea level rise.

Goal Code	Goal Description	FY 2019-20 Adopted Budget
SS.1	**BAO & District Leadership**	**22,713,568**

Board Appointed Officers (BAOs) and Valley Water Leadership includes the budgets for the Board of Directors and its Advisory Committees, the Board Appointed Officers, Office of External Affairs, and Valley Water's risk management including Emergency Management, Health and Safety related functions and activities for Watersheds and Water Utility Enterprise.

The BAOs are Valley Water staff that report directly to the Board of Directors, and include the positions of Chief Executive Officer (CEO), District Counsel, and the Clerk of the Board.

Chief Executive Officer: Provides strategic direction and oversight to lead the organization in implementing Valley Water's mission. The CEO provides executive leadership to Valley Water and support to the Board of Directors to ensure that Valley Water efficiently implements the Board's Ends policies and complies with Executive Limitations.

Clerk of the Board: Provides regulatory and administrative services required to support the Board of Directors' functions and activities, including support to the Board's Advisory and Ad Hoc Committees, BAOs, Valley Water staff and constituents. The Clerk of the Board supports executive management and the public by ensuring the Board meetings are kept open and public in accordance with the Ralph M. Brown Act.

District Counsel: Represents Valley Water's interests in a variety of court and administrative matters and provides timely and useful legal advice to the Board of Directors and management as Valley Water implements strategies to streamline operations and increase accountability.

External Affairs: Provides strategic planning and integration of external policies and legislation as it relates to the business interests of Valley Water as well as for communications and outreach efforts. External Affairs is responsible for: internal and external communications to the media, community, and the public; community engagement in the areas of education, volunteerism, and through grant programs and community rating system program; and government relations efforts at the local, regional, state, and federal levels.

Goal Code	Goal Description	FY 2019-20 Adopted Budget
SS.2	**Financial Planning & Management Services**	**15,124,393**

Financial Planning and Management Services provide management oversight, leadership and strategic support to ensure effective and efficient financial planning and performance. This includes promoting efficiencies and fiscal accountability District-wide and within the Financial Planning and Management Services Division.

Goal Code	Goal Description	FY 2019-20 Adopted Budget
SS.3	**Human Resources Services**	**11,630,567**

Human Resources Services are primarily linked to human resource planning, development and management. These services include District-wide funding for recruitment, professional development, training, employee wellness, internship, the ethics and equal employment opportunity programs.

Goal Code	Goal Description	FY 2019-20 Adopted Budget
SS.4	**Information Management Services**	**22,877,686**

The Information Technology Division serves the technology needs of the Valley Water, enabling business users to carry out their work efficiently, effectively, and securely. We do so by providing planning, design, and operational support and maintenance of the Valley Water's: (1) physical technology infrastructure and cyber security posture; and (2) software application portfolio.

Goal Code	Goal Description	FY 2019-20 Adopted Budget
SS.5	**Corporate Business Assets**	**31,655,599**

Corporate Business Assets includes the functions and activities of Purchasing, Consultant Contract Services, Equipment Management, Facilities Management, Business Support, and Warehouse Services in the General Services Division.

Also included in this category are a few of support

services projects from the Water Utility Enterprise, and Water Utility projects that overarch Ends policies and therefore cannot be attributed to a single Ends policy (e.g., water measurement, asset management, select planning projects).

Goal Code	Goal Description	FY 2019-20 Adopted Budget
SS.6	**General Management & Administration**	**29,976,563**

Funds in this category provide necessary resources to effectively administer and manage organization-wide support services, including unit and division office and program administration, long-term operational planning efforts, and other critical District-wide support service functions and activities required to achieve organizational goals and objectives.

Goal Code	Goal Description	FY 2019-20 Adopted Budget
SS.7	**Salary Savings**	**(4,740,108)**

This salary savings budget represents 4% of regular employee salaries and benefits district-wide. This budget represents the budgeted savings from vacant positions projected to occur during the year.

Goal Code	Goal Description	FY 2019-20 Adopted Budget
DS.1	**Debt Service**	**58,607,155**

Debt Service includes the budget used to pay interest, principal, and fees associated with the debt portfolio.

E2 Reliable, clean water supply for current and future generations

E2.1 Current and future water supply for municipalities, industries, agriculture and the environment is reliable.

Job Number	Project Name	Adopted FY 2019–20 Budget
26061008	Water Conservation Grants	124,833
26061010	Nitrate Treatment Systm Rebate	4,000
26764001	IRP2 AddLine Valves	398,547
60041003	Hollister Groundwater Mgmt	56,539
91041012	Water Operations Planning	677,257
91041018	Groundwater Management Program	4,442,250
91081007	Dam Safety Program	1,599,528
91084019	Dam Safety Seismic Stability	630,908
91101004	Recycled & Purified Water Prog	5,805,754
91111001	Water Rights	631,069
91131004	Imported Water Program	4,744,497
91131006	IW San Felipe Division Delvrs	23,080,467
91131007	IW South Bay Aqueduct Delvrs	2,535,887
91131008	State Water Project Costs	25,067,582
91151001	Water Conservation Program	6,148,061
91151012	Recycld/PurifiedWaterPublicEng	810,827
91151013	Water Banking Operations	2,501,870
91154007	Water Purchases Captl Project	10,410,713
91211004	San Felipe Reach 1 Operation	755,963
91211005	SFD Reach 1 Administration	4,056
91211084	San Felipe Reach1 Ctrl and Ele	412,907
91211085	SF Reach 1-Engineering - Other	220,036
91221002	San Felipe Reach 2 Operation	141,669
91221006	SF Reach 2-Engineering - Other	216,438
91231002	San Felipe Reach 3 Operation	301,589
91231084	San Felipe Reach3 Ctrl and Ele	232,836
91231085	SF Reach 3-Engineering - Other	75,381
91251001	Transfer_Bethany Pipeline	1,940,241
91281007	SVAWPC Facility Operations	2,428,854
91281008	SVAWPC Facility Maintenance	1,784,953
91304001	Indirect Potable Reuse-Plan	2,479,965
91441003	Ocean & Brackish Desalination	73,334
91451002	Well Ordinance Program	1,834,687
91451005	Source Water Quality Mgmt	363,271
91451011	Invasive Mussel Prevention	609,063
91601001	California WaterFix	5,358,971
91761001	Local Res/Div Plan & Analysis	1,410,737
91761099	Dams / Reservoir Gen Maint	3,312,185
91864005	Anderson Dam Seismic Retrofit	4,178,595
91874004	Calero Dam SeisRetrfit Des&Con	407,999

E2

Reliable, clean water supply for current and future generations

E2.1 Current and future water supply for municipalities, industries, agriculture and the environment is reliable.

Job Number	Project Name	Adopted FY 2019–20 Budget
91894002	Guadalupe Dam SeisRetf Des&Con	788,999
91954002	Pacheco Reservoir ExpansionPrj	42,056,108
92041014	FAHCE/Three Creeks HCP Project	3,810,415
95061043	WUE TW Div Admin Support	3,591,177
95074039	Capital Construction Mgmt System	976,689
95111003	Water Use Measurement	1,823,659
E2.1 Total		**171,261,366**

E2

Reliable, clean water supply for current and future generations

E2.2 Raw water transmission and distribution assets are managed to ensure efficiency and reliability.

Job Number	Project Name	Adopted FY 2019–20 Budget
26564001	Main/Madrone PL Restoration	334,061
91211099	San Felipe Reach 1 Gen Maint	875,806
91214010	Small Caps, San Felipe R1	5,715,984
91221099	San Felipe Reach 2 Gen Maint	154,122
91224010	Small Caps, San Felipe R2	866,440
91231099	San Felipe Reach 3 Gen Maint	1,052,224
91234002	Coyote Pumping Plant ASD	1,026,846
91234010	Small Caps, San Felipe R3	850,000
91234011	Coyote Warehouse	2,481,995
92261099	Vasona Pump Station Gen Main	199,688
92264001	Vasona Pump Station Upgrade	525,400
92374005	SCADA Remote Arch&Comm Upgrade	255,987
92761001	Raw Water T&D Gen'l Oper	1,512,655
92761008	Recycled Water T&D Genrl Maint	288,863
92761009	Recharge/RW Field Ops	3,173,414
92761010	Rchrg / RW Field Fac Maint	2,064,317
92761012	Untreated Water Prog Plan	108,753
92761082	Raw Water T&D Ctrl and Electr	655,898
92761083	Raw Water T&D Eng Other	518,253
92761085	Anderson Hydrelctrc Fclty Main	163,433
92761099	Raw Water T / D Gen Maint	2,077,782
92764009	Small Caps, Raw Water T&D	1,215,303
92781002	Raw Water Corrosion Control	479,641
94761099	Treated Water T/D Gen Maint	1,337,157
94764006	Small Caps,Treated Water T&D	178,000
95084002	10-Yr PL Inspection and Rehab	26,129,073
E2.2 Total		**54,241,094**

E2

Reliable, clean water supply for current and future generations

E2.3 Reliable high quality drinking water is delivered.

Job Number	Project Name	Adopted FY 2019–20 Budget
00761013	SCADA Systems Upgrades	763,708
93081008	W T General Water Quality	2,219,219
93081009	Water Treatment Plant Engineer	678,842
93084004	Wtr Trtmnt Plnt Electr Imprv	202,611
93231007	PWTP Landslide Monitoring	2,165
93231009	PWTP General Operations	5,224,820
93231099	Penitencia WTP General Maint	2,490,903
93281005	STWTP - General Operations	5,272,219
93281099	Santa Teresa WTP General Maint	3,243,877
93284013	STWTP Filter Media Replace	202,611
93291012	RWTP General Operations	8,306,554
93291099	Rinconada WTP General Maint	3,722,024
93294056	RWTP Treated Water Valves Upgd	20,999
93294057	RWTP Reliability Improvement	14,566,196
93294058	RWTP Residuals Remediation	2,632,305
93401002	Water District Laboratory	5,095,958
93761001	SF/SCVWD Intertie General Ops	219,853
93761004	Campbell Well Field Operations	86,860
93761005	Campbell Well Field Maint	93,513
93761006	Treated Water Ctrl & Elec Eng	2,316,887
93761099	SF/SCVWD Intertie Gen Maint	417,252
93764004	Small Caps, Water Treatment	11,353,369
94084007	Treated Water Isolation Valves	741,653
94761005	TW T&D - Engineering - Other	422,017
94781001	Treated Water T/D Corrosion	415,167
95151002	WU Customer Relations&Outreach	488,273
E2.3 Total		71,199,854
E2 Total		**296,702,314**

E3 Healthy and safe environment for residents, businesses, and visitors, as well as for future generations

E3.1 Provide natural flood protection for residents, businesses, and visitors

Job Number	Project Name	Adopted FY 2019–20 Budget
00041022	Stream Maint Prog Mgmt	3,246,242
00044026	San Francisco Bay Shoreline	1,765,000
00761023	Watershed Sediment Removal	4,928,422
00761078	Vegetation Mangmnt for Access	3,595,678
00762011	Tree Maintenance Program	1,035,881
00811049	Subsidence Monitoring	1,096,860
26074002	Sunnyvale East & West Channel	4,441,000
26154002	Guadalupe Rv-Upr, 280-SPRR(R6	87,184
26154003	Guadalupe Rv-Upr, SPRR-BH 7-12	368
26164001	HaleCreekEnhancementPilotStudy	21,065
26174041	Berryessa Calav/Old Pied Cor	171
26174042	Berryessa Calav/Old Pied LER	1,000
26174043	Coyote Creek, Montague-Tully	941,355
26174051	U. Llagas Ck, Reimburse E6b	1,983,000
26174052	U. Llagas Ck, Nonreimburse E6a	9,741,000
26174054	U.Llagas Ck Design B. Vsta Rd	260,999
26204001	Los Gatos Creek Strm Restore	226,242
26244001	Permanente Ck, Bay-Fthill CSC	2,860,325
26284002	San Francisquito Early Implemt	2,805,465
26324001	U Penitncia Crk Corp Coord SCW	1,304,916
26444001	SFBS EIA 11 Desgn & Part Const	2,994,236
26761079	SCW E1.3-Flow Conveyance, Sed	213,292
26771067	Stream Capacity Vegetation Con	1,759,156
26771068	SCW E1.3-Flow Conveyance, Veg	4,000
30154019	Guadalupe R Tasman Dr - I 880	1,000,000
40174005	Berryessa Crk, Lwr. Pen Phs 2	88
40264008	Lwr Silver-R4-6 N Babb-Cunni	739,000
40264011	Cunningham Fld Detention Cert	235,126
40334005	Lwr Penitencia Crk Improvemnts	8,989,548
62021009	Watershds O&M Eng&Insp Support	1,076,949
62042050	Watershd Maint Guideline Updte	438,932
62061029	Field Operations Support	570,457
62084001	Watersheds Asset Rehabilitatio	11,375,821
62761006	Invasive Plant Management Prog	2,146,965
62761024	Wtrshd Facility Cndtion Assmnt	1,785,241
62761025	Watershed General Field Maint	1,635,514
62761026	Watershed Debris Removal	1,117,712
62761028	Watershed Levee Maintenance	1,039,311
62761074	Corps Local Sponsor O&M	848,151

E3 Healthy and safe environment for residents, businesses, and visitors, as well as for future generations

E3.1 Provide natural flood protection for residents, businesses, and visitors

Job Number	Project Name	Adopted FY 2019–20 Budget
62761080	Non SMP Veg Removal for Convey	2,280,441
E3.1 Total		**80,592,111**

E3

Healthy and safe environment for residents, businesses, and visitors, as well as for future generations

E3.2 Reduce potential for flood damages

Job Number	Project Name	Adopted FY 2019–20 Budget
00811043	Hydrologic Data Msrmt & Mgmt	2,019,855
10394001	PA Flood Basin Tide Gate Imprv	1,918,492
26041023	Emergency Response Upgrades	309,082
26041024	Flood Risk Reduction Studies	966,093
26061005	Flood Emrgncy Respnse Planning	296,578
62011002	Watershed Asset Protection Sup	3,861,826
62021003	CPRU Tech Support	485,984
62041023	Community Rating System (CRS)	456,085
62061005	WS Customer Relations&Outreach	521,015
62061008	Hydrology&Hydraulics Tech Supp	1,222,690
62761008	Sandbag Program	585,472
95011003	WU Asset Protection Support	1,160,363
E3.2 Total		13,803,534
E3 Total		**94,395,645**

E4

Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.

E4.1 Protect and restore creek, bay, and other aquatic ecosystems.

Job Number	Project Name	Adopted FY 2019–20 Budget
00041047	Ecolgcal Data Collectn & Analy	1,438,158
00061012	Facilities Env Compliance	759,893
00061019	Supp Volunteer Cleanup Effort	344,924
00741042	Water Resorcs EnvPlng & Permtg	1,218,447
00761022	Watershed Good Neighbor Maint	1,338,307
00761075	Mgmt of Revegetation Projects	2,075,476
00771011	Inter Agency Urban Runoff Prog	2,475,115
00771031	HAZMAT Emergency Response	201,140
20444001	Salt Ponds A5-11 Restoration	270
26042002	Fish Habitat Improvements	568,731
26044001	Almaden Lake Improvement	1,153,048
26044002	SCW Fish Passage Improvement	1,048,035
26044003	Ogier Ponds Planning Study	597,884
26061006	Pollution Prvtn Prtnrshp & Grt	870,723
26072008	SCW D7 Conservation Habitat	1,000,000
26752043	Impaired Water Bodies Imprvmts	1,768,169
26761076	Rev, Riprn, Uplnd, & Wtlnd Hab	938,599
26771027	Encampment Cleanup Program	765,073
30151026	Guad Rvr Mitgtn Monitoring Prg	1,019,152
40212032	Coyote Creek Mitgtn Monitoring	257,834
60061058	Drought Induced Tree Removal	932,517
60171002	Education & Volunteer Program	1,649,752
62041043	Environmental Srvcs Tech Suppt	411,437
62042032	Multiple Sm Prjcts Mitgtn Mont	626,226
62042047	Mitigation & Stwdshp Land Mgmt	210,543
62042051	Plant Pathogen Management	400,008
62044001	Watershed Habitat Enhancemnt S	324,765
62181005	SMP Mitigation Site Mgmt	544,769
62181006	Instream Habitat Complexity	344,849
62184001	SMP Mit-Stream Wtrshd Land Acq	36,085
62761009	Pond A4 Operations	172,192
62761027	Watershed Erosion Protection	2,810,589
E4.1 Total		**28,302,711**

E4

Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.

E4.2 Improved quality of life in Santa Clara County through appropriate Public access to trails, open space and District facilities.

Job Number	Project Name	Adopted FY 2019–20 Budget
26061007	Grants to Rest Habitat Access	1,895,576
E4.2 Total		**1,895,576**

E4

Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.

E4.3 Strive for zero net greenhouse gas emission or carbon neutrality.

Job Number	Project Name	Adopted FY 2019–20 Budget
00021008	Energy Management	299,090
00061048	Climate Change Adaptation/Mtg.	303,223
E4.3 Total		602,313
E4 Total		**30,800,600**

SS Support Services

SS.1 BAO & District Leadership

Job Number	Project Name	Adopted FY 2019–20 Budget
00761071	Emergency Management	1,972,819
60091001	Directors Fees / Expenses	512,622
60131007	Ofc of Chief Executive Officer	1,015,533
60141001	District Counsel	3,606,203
60171009	Community Relations	345,487
60231002	Communications	2,580,007
60231003	Federal Government Relations	1,092,212
60231004	State Government Relations	1,016,527
60231005	Local Government Relations	1,628,320
60231006	Office of Chief of Ext Affairs	927,651
60301001	Clerk of the Board Serv	2,256,123
65051001	Risk Management	2,077,077
65051002	Workers Compensation Program	854,767
65051003	Health&Safety Program Mgt	2,728,219
65052001	2017 President Day Flood	100,000
SS.1 Total		**22,713,568**

SS Support Services

SS.2 Financial Planning & Management Services

Job Number	Project Name	Adopted FY 2019–20 Budget
00031001	Watershed Revenue	154,894
00031002	Grants Management	800,132
00061045	Asset Management Program	3,248,313
00121003	LT Financial Planning & Rate S	702,556
26001090	Unscoped Projects-Budget Only	100,000
60001090	CEOUnscoped Projects-BudgtOnly	100,000
60001091	Unscoped Projects-Budget Only	100,000
60001092	CEA UnscopedProject-BudgetOnly	100,000
60111002	General Accounting Services	3,653,802
60131014	Continual Improvement	824,722
60221001	Budget and Financial Analyses	2,243,957
60221002	Debt & Treasury Management	937,222
60221003	FPMD Administration	550,540
62001090	Unscoped Projects-Budget Only	100,000
95001090	Unscoped Projects-Budget Only	100,000
95101003	W2 W5 Water Revenue Program	1,408,255
SS.2 Total		**15,124,393**

SS Support Services

SS.3 Human Resources Services

Job Number	Project Name	Adopted FY 2019–20 Budget
60281003	Ethics & EEO Programs	1,100,326
60281004	Diversity & Inclusion Program	804,813
60281006	Reasonable Accommodation	243,518
60291001	Recruitment and Examination	1,826,393
60291002	Benefits and Wellness Admin	1,458,679
60291003	Labor Relations	856,488
60291004	Talent Management Program	1,615,591
60291011	HR Program Admin	615,270
60291030	HR Systems Management Program	584,477
60291032	Bargaining Unit Representation	124,731
60291040	Rotation Program	600,000
60291041	Internship Program	821,263
60291043	Succession Planning	451,425
95061047	WUE Technical Training Program	527,593
SS.3 Total		**11,630,567**

SS Support Services

SS.4 Information Management Services

Job Number	Project Name	Adopted FY 2019–20 Budget
60311001	Records & Library Services	1,290,918
73271001	Telecommunications Sys Opr/M	2,269,534
73271002	Technical Infrastructure Servi	1,060,489
73271003	Network Administration	2,522,266
73271004	Information Security Admin	833,996
73271005	Offce Cmptr Maint/Help Dsk Sup	1,643,345
73271006	Info Technology Div Admin	1,508,678
73271007	Emerging IT Technologies	123,943
73271008	Software Maint & License	1,353,182
73271009	Software Services	5,724,231
73274004	Network Equipment	990,396
73274006	Office Computers Replace Equip	1,182,287
73274008	Software Upgrades & Enhancemen	781,203
73274009	Data Consolidation	60,371
73274012	Telephone System Voice Over IP	1,116,000
95274003	WU Computer Network Modrnizatn	183,964
95761003	SCADA Network Administration	232,883
SS.4 Total		**22,877,686**

SS Support Services

SS.5 Corporate Business Assets

Job Number	Project Name	Adopted FY 2019–20 Budget
00071041	Welding Services	606,362
00074036	Survey Mgmt & Tech Support	521,502
00811046	Warehouse Services	2,335,639
00811054	District Real Property Adminis	1,099,624
10291002	Rental Expense Stevens Creek	364,015
26061002	Rent Exp Clean Safe Ck 7/1/01+	168,410
30061004	Rent Exp Guadalupe & Coyote	204,212
60061018	General Services Div Admin	543,081
60101001	Purchasing Services	2,949,727
60101002	Building and Grounds	7,465,892
60101005	Districtwide Signage	300,000
60101008	District Security Services	2,041,242
60111006	Contract Services	1,433,516
60204016	Facility Mgmt-Sm Cap Improv	2,063,125
60351001	Business & Customer SupportSvc	2,798,194
70004001	New Vehicle Equip Acquisitio	474,000
70004002	Replacement Vehicle & Equip	1,723,000
70011099	Class I Equip Oper / Maint	822,399
70021099	Class II Equip Oper / Maint	992,551
70031099	Class III Equip Oper / Maint	316,369
70041099	Class IV Equip Oper / Maint	1,300,775
70061003	Vehicle & Equipment Admin&Mgmt	1,100,433
95061012	Rental Expense San Pedro,MH	31,531
SS.5 Total		**31,655,599**

SS Support Services

SS.6 General Management & Administration

Job Number	Project Name	Adopted FY 2019–20 Budget
00041039	Integrated Regional Water Mgmt	212,394
00074033	CIP Development & Admin	1,278,122
00074038	Capital Progrm Srvcs Admin	6,619,878
26061012	Safe Clean Water Implementatn	579,027
60101017	CADD System Tech Support	132,545
60131004	IT & AS Administration	1,782,998
60241026	Quality and Env Mgmt Sys Prog	534,165
62041027	Integrated Wtr Resrce Mstr Pln	1,407,329
62061001	Watersheds Administration	9,088,456
95061038	WUE Administration	6,874,245
95741001	Water Supply Planning	1,467,404
SS.6 Total		**29,976,563**

SS Support Services

SS.7 Salary Savings

Job Number	Project Name	Adopted FY 2019–20 Budget
26061004	Districtwide Salary Savings-26	(140,219)
26064023	Districtwide Salary Savings -26	(306,219)
60061023	Districtwide Salary Savings-11	(1,310,193)
60064023	Districtwide Salary Savings-11	(19,495)
62061002	Districtwide Salary Savings-12	(732,894)
62064023	Districtwide Salary Savings-12	(211,041)
91061007	Districtwide Salary Savings-61	(1,535,415)
95064011	Districtwide Salary Savings-61	(484,632)
SS.7 Total		(4,740,108)
SS Total		**129,238,268**

DS Debt Service

DS.1 Debt Service

Job Number	Project Name	Adopted FY 2019–20 Budget
10993008	2017A COP Refunding LP WS	2,288,687
20993007	2012A COP Refunding WV WS	1,174,200
20993008	2017A COP Refunding WV WS	685,005
26993001	Commercial Paper Tax Exmpt SCW	3,101,660
30993007	2012A COP Refunding Guad WS	2,936,985
30993008	2017A COP Refunding Guad WS	794,162
40993007	2012A COP Refunding Coyote WS	1,218,515
40993008	2017A COP Refunding Coyote WS	2,055,594
60993009	2017A COP Refunding GF	478,052
95993007	Commercial Paper Tax Exempt	1,851,890
95993008	Commercial Paper Taxable	1,851,890
95993012	2006B WUE Refunding (Taxable)	1,813,106
95993014	2007B WU Revenue COPs(Taxable)	3,260,000
95993015	2016A WU Ref Rev Bond(TxExmpt)	5,350,750
95993016	2016B WU Ref Rev Bond(Taxable)	3,244,621
95993017	WU COP 2016C (Tax-Exempt)	5,122,250
95993018	WU COP 2016D (Taxable)	5,609,741
95993019	WU Rev Bond 2017A (Tax Exempt)	4,385,500
95993022	WU Rev Bond 2019A (Tax-Exempt)	1,595,800
95993023	WU Rev Bond 2019B (Taxable)	6,309,024
95993025	WU Rev Bond 2020A (Tax-Exempt)	1,394,780
95993026	WU Rev Bond 2020B (Taxable)	2,084,944
DS.1 Total		58,607,155
DS Total		**58,607,155**

This page left intentionally blank.

E2 Reliable, clean water supply for current and future generations

E2.1 Current and future water supply for municipalities, industries, agriculture and the environment is reliable.

2.1.1. Aggressively protect groundwater from the threat of contamination and maintain and develop groundwater to optimize reliability and to minimize land subsidence and salt water intrusion		**8,161,136**
OM 2.1.1.a.	Greater than 278,000 acre-feet of projected end-of-year groundwater storage in the Santa Clara Plain.	
OM 2.1.1.b.	Greater than 5,000 acre-feet of projected end-of-year groundwater storage in the Coyote Valley.	
OM 2.1.1.c.	Greater than 17,000 acre-feet of projected end-of-year groundwater storage in the Llagas Subbasin.	
OM 2.1.1.d.	100% of subsidence index wells with groundwater levels above subsidence thresholds.	
OM 2.1.1.e.	At least 95% of countywide water supply wells meet primary drinking water standards.	
OM 2.1.1.f.	At least 90% of South County wells meet Basin Plan agricultural objectives.	
OM 2.1.1.g.	At least 90% of wells in both the shallow and principal aquifer zones have stable or decreasing concentrations of nitrate, chloride, and total dissolved solids.	
OM 2.1.1.h.	Reduce number of private well water users exposed to nitrate above drinking water standards by awarding 100% of eligible rebate requests for the installation of nitrate removal systems; a maximum of 1,000 rebates up to $702,000 through 2023. (SCW A2)	
2.1.2. Protect, maintain, and develop local surface water.		**19,400,770**
OM 2.1.2.a	100% of local water identified in annual operations plan utilized to meet annual County water needs.	
OM 2.1.2.b.	100% of required reports to the State Water Resources Control Board for District water rights permits and licenses submitted on time	
OM 2.1.2.c.	100% of operational capacity restored at Almaden Reservoir by October 2016	
OM 2.1.2.d.	100% of operational capacity restored at Anderson Reservoir by November 2018 and provide portion of funds, up to $45 million, to help restore full operating capacity of 90,373 feet (SCW C1).	
OM 2.1.2.e.	100% of operational capacity restored at Calero Reservoir by December 2019.	
OM 2.1.2.f.	100% of operational capacity restored at Guadalupe Reservoir by December 2019.	
OM 2.1.2.g.	100% of dams judged safe for continued use following all annual DSOD inspections.	
OM 2.1.2.h.	The petition to resolve 100% of the water rights licenses addressed in the FAHCE/Three Creeks Habitat Conser- vation Plan project is submitted to the State Water Resources Control Board by December 2015.	
2.1.3. Protect, maintain, and develop imported water.		**77,997,047**
OM 2.1.3.a.	100% of imported water identified in annual operations plan delivered to County to meet annual water needs	
2.1.4. Protect, maintain, and develop recycled water.		**13,383,688**

E2 Reliable, clean water supply for current and future generations

E2.1 Current and future water supply for municipalities, industries, agriculture and the environment is reliable.

OM 2.1.4.a.	At least 10% of annual recycled water production as a percentage of total County water demands by 2025.	
2.1.5. Maximize water use efficiency, water conservation, and demand management opportunities.		**6,272,894**
OM 2.1.5.a.	At least 98,500 acre-feet of annual County-wide water conservation savings by 2030.	
OM 2.1.5.b	Award up to $1 million to test new conservation activities through 2023. (SCW A2)	
2.1.6. Prepare for and respond effectively to water utility emergencies.		**46,045,832**
OM 2.1.6.a	Execute 1 annual training and exercise plan per year to test response capability and identify improvements.	
OM 2.1.6.b.	90% of required employees receive required FEMA/CAL-EMA NIMS/SEMS training.	
E2.1 Subtotal		**171,261,366**

E2 Reliable, clean water supply for current and future generations

E2.2 Raw water transmission and distribution assets are managed to ensure efficiency and reliability.

2.2.1. Raw water transmission and distribution assets are managed to ensure efficiency and reliability		**54,241,094**
OM 2.2.1.a.	100% of annual maintenance work plans completed for all transmission and distribution facilities.	
OM 2.2.1.b.	Restore transmission pipelines to full operating capacity of 37 cubic feet per second from Anderson Reservoir by 2018. (SCW A1)	
OM 2.2.1.c.	Restore ability to deliver 20 cubic feet per second to Madrone Channel by 2018. (SCW A1)	
E2.2 Subtotal		**54,241,094**

E2 Reliable, clean water supply for current and future generations

E2.3 Reliable high quality drinking water is delivered.

2.3.1. Meet or exceed all applicable water quality regulatory standards.		**69,947,874**
OM 2.3.1.a	100% of treated water that meets primary drinking water standards.	
OM 2.3.1.b.	100% of annual maintenance work plans completed for all facilities.	
OM 2.3.1.c.	Install 4 new line valves on treated water distribution pipelines by 2027. (SCW A3)	

E2 Reliable, clean water supply for current and future generations

E2.3 Reliable high quality drinking water is delivered.

2.3.2. Maintain effective relationships with the retailer and other stakeholders to ensure high quality,reliable drinking water.		**1,251,981**
OM 2.3.2.a.	100% of retailers give an average rating of good to excellent on each of their individual annual treated water retailer surveys.	
OM 2.3.2.b.	Increase number of schools in Santa Clara County in compliance with State Education Code, Section 38086, and the Healthy Hunger-Free Kids Act, regarding access to drinking water by awarding 100% of eligible grant requests through 2023 for the installation of hydration stations; a maximum of 250 grants up to $245,000. (SCW A2)	
E2.3 Subtotal		**71,199,854**
E2 Budget Total		**296,702,314**

E3 — Healthy and safe environment for residents, businesses, and visitors, as well as for future generations

E3 Healthy and safe environment for residents, businesses, and visitors, as well as for future generations

E3.1 Provide natural flood protection for residents, businesses, and visitors

3.1.1. Protect parcels from flooding by applying an integrated watershed management approach that balances environmental quality and protection from flooding.		**41,472,883**
OM 3.1.1.a.	Approximately 31,500 parcels are protected and/or eligible for removal from the flood hazard zone as specified in the 5-year Capital Improvement Plan.	
OM 3.1.1.b.	With federal and local funding, construct a flood protection project on Upper Penitencia Creek to provide 1 percent flood protection to 5,000 homes and public buildings by 2026. (SCW E4))	
OM 3.1.1.c.	With local funding only, acquire all necessary right-of-ways and construct a 1 percent flood protection project on Upper Penitencia Creek from Coyote Creek confluence to King Road by 2026. (SCW E4)	
OM 3.1.1.d.	With federal and local funding, protect more than 3,000 parcels by providing 1 percent flood protection on San Francisquito Creek by 2020. (SCW E5)	
OM 3.1.1.e.	With local funding only, protect approximately 3,000 parcels from flooding (100-year protection downstream of HWY 101, 50-year protection upstream of HWY 101) on San Francisquito Creek by 2020. (SCW E5)	
OM 3.1.1.f.	With federal and local funding, provide flood protection to 1,100 homes, 500 businesses, and 1,300 agricultural acres, while improving stream habitat on Upper Llagas Creek by 2017. (SCW E6)	
OM 3.1.1.g.	With local funding only, provide 100-year flood protection for Reach 7 on Upper Llagas Creek by 2017. A limited number of homes and businesses will be protected. (SCW E6)	
OM 3.1.1.h.	Provide portion of the local share of funding for planning and design phases for the former salt production ponds and Santa Clara County shoreline area by 2019. (SCW E7)	

E3 Healthy and safe environment for residents, businesses, and visitors, as well as for future generations

E3.1 Provide natural flood protection for residents, businesses, and visitors

OM 3.1.1.i.	Provide portion of local share of funding toward estimated cost of initial project phase (Economic Impact Area 11) on the San Francisco Bay Shoreline by 2019. (SCW E7)	
OM 3.1.1.j.	With federal and local funding, construct a flood protection project on Upper Guadalupe River to provide 1 percent flood protection to 6,280 homes, 320 businesses, and 10 schools and institutions by 2019. (SCW E8)	
OM 3.1.1.k.	With local funding only, construct flood protection improvements along 4,100 feet of Guadalupe River between SPRR crossing, downstream of Willow Street, to UPRR crossing, downstream of Padres Drive by 2019. Flood damage will be reduced however, protection from the 1 percent flood is not provided until completion of the entire Upper Guadalupe River Project. (SCW E8)	
OM 3.1.1.l.	100% of flood protection projects include multi-purpose objectives that enhance ecological functions, improve water quality, or provide for trails & open space.	
OM 3.1.1.m.	Complete engineering studies on 7 creek reaches to address 1% flood risk by 2022. (SCW E3)	
OM 3.1.1.n.	Update floodplain maps on a minimum of 2 creek reaches in accordance with new FEMA standards by 2022. (SCW E3)	
3.1.2.	Preserve flood conveyance capacity and structural integrity of stream banks, while minimizing impacts on the environment and protecting habitat values.	**39,119,228**
OM 3.1.2.a.	50% of assets are assessed and have their condition documented annually.	
OM 3.1.2.b.	100% of levees inspected and maintained annually.	
OM 3.1.2.c.	Maintain 90 percent of improved channels at design capacity. (SCW E1)	
OM 3.1.2.d.	Complete a minimum of 2900 acres of upland and in stream vegetation management in all watersheds annually	
OM 3.1.2.e.	100% of maintenance projects comply with the Stream Maintenance Program permit best management practices	
OM 3.1.2.f.	100% of stream bank erosion sites on District property are repaired that pose an imminent threat to public safety	
OM 3.1.2.g.	Construct 3 geomorphic designed projects to restore stability and stream function by preventing incision and promoting sediment balance throughout the watershed by 2021. (SCW D6)	
OM 3.1.2.h.	Provide vegetation management for 6,120 acres along levee and maintenance roads through 2028. (SCW E1)	
OM 3.1.2.i.	Maintain a minimum of 300 acres of revegetation projects annually to meet regulatory requirements and conditions through 2028. (SCW D1)	
E3.1 Subtotal		**80,592,111**

E3 Healthy and safe environment for residents, businesses, and visitors, as well as for future generations

E3.2 Reduce potential for flood damages

3.2.1 Promote the preservation of flood plain functions.		**7,426,665**
OM 3.2.1.a.	90% of Water Resource Protection Ordinance violations are resolved.	
OM 3.2.1.b.	90% of land use reviews submitted to lead agencies within response period.	
OM 3.2.1.c.	100% of new land use projects reviewed are provided recommendations for incorporating flood-wise design features.	
OM 3.2.1.d.	20% of the District's survey elevation benchmarks are measured annually for accuracy, on a rotating five year basis, and adjusted, as needed.	
3.2.2. Reduce flood risks through public engagement.		**977,099**
OM 3.2.2.a.	95% response rate to flood insurance rate map inquiries	
OM 3.2.2.b.	Maintain the National Flood Insurance Program's Community Rating System (CRS) point sum of all the partici- pating CRS Communities in the county at 13,000 or higher.	
OM 3.2.2.c.	Provide Community Rating System (CRS) base points to all National Flood Insurance Program (NFIP) participating communities in Santa Clara County to encourage communities with more than 100 flood insurance policies to join the CRS program.	
OM 3.2.2.d.	100% of flood prone parcels provided floodplain informational mailer annually.	
3.2.3. Prepare and respond effectively to flood emergencies countywide to protect life and property		**5,399,770**
OM 3.2.3.a.	40,000 filled sandbags stocked by Nov. 30th annually.	
OM 3.2.3.b.	The ALERT Alarm program is maintained and tested 4 times annually for all watersheds.	
OM 3.2.3.c.	Emergency Action Plans updated annually for all watersheds.	
OM 3.2.3.d.	Two preparedness exercises conducted per year to respond to flood emergencies.	
OM 3.2.3.e.	Maintain NOAA StormReady designation annually.	
OM 3.2.3.f.	Conduct multi-jurisdiction Winter Emergency Operations and Preparedness Workshops annually.	
OM 3.2.3.g.	Coordinate with agencies to incorporate District-endorsed flood emergency procedures into their Emergency Operations Center plans annually. (SCW E2)	
OM 3.2.3.h	90% of required employees receive required FEMA/CAL-EMA NIMS/SEMS training.	
OM 3.2.3.i.	Complete 5 flood-fighting action plans (one per major watershed) by 2028. (SCW E2)	
OM 3.2.3.j.	Map, install, and maintain gauging stations and computer software on seven flood-prone reaches to generate and disseminate flood warnings through 2023. (SCW C2)	
E3.2 Subtotal		**13,803,534**
E3 Budget Total		**94,395,645**

E4 Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.

E4.1 Protect and restore creek, bay, and other aquatic ecosystems.

4.1.1. Preserve creeks, bay, and ecosystems through environmental stewardship.		**20,049,180**
OM 4.1.1.a.	Establish new or track existing ecological levels of service for streams in 5 watersheds by 2028. (SCW D5)	
OM 4.1.1.b.	Re-assess streams in 5 watersheds to determine if ecological levels of service are maintained or improved by 2028. (SCW D5)	
OM 4.1.1.c.	Fish tissue concentration of methyl mercury that meets Total Maximum Daily Load (TMDL) objectives (target = 1.5 ng total methyl mercury per liter water).	
OM 4.1.1.d.	Five watersheds meet all Stream Maintenance Program and other mitigation commitments including the management of 300 acres of existing revegetation plantings.	
OM 4.1.1.e.	Respond to requests on litter or graffiti cleanup within 5 working days through 2028. (SCW B6)	
OM 4.1.1.f.	100% of pesticide products used in lowest toxicity category.	
OM 4.1.1.g.	Operate and maintain existing treatment systems in 4 reservoirs to remediate regulated contaminants, including mercury through 2028. (SCW B1)	
OM 4.1.1.h.	Prepare plan for the prioritization of pollution prevention and reduction activities by 2016. (SCW B1)	
OM 4.1.1.i.	Implement priority pollution prevention and reduction activities identified in the plan in 10 creeks through 2028. (SCW B1)	
OM 4.1.1.j.	Install at least 2, by 2014, and operate 4, through 2028, trash capture devices at stormwater outfalls in Santa Clara County. (SCW B2)	
OM 4.1.1.k.	Perform 52 annual clean-ups for the duration of the Safe, Clean Water program to reduce the amount of trash and pollutants entering the streams. (SCW B4, Encampment Cleanup)	
OM 4.1.1.l.	Conduct 60 clean-up events (4 per year) through 2028. (SCW B6, Graffiti and Trash)	
OM 4.1.1.m.	Provide up to $8 million for the acquisition of property for the conservation of habitat lands, total through 2028. (SCW D7)	
4.1.2. Improve watersheds, streams, and natural resources.		**1,094,842**
OM 4.1.2.a.	Establish agreement with the US Fish and Wildlife Service to reuse sediment at locations to improve the success of Salt Pond restoration activities by 2017. (SCW D8)	
OM 4.1.2.b.	Update 3 creek hydrology models annually.	
OM 4.1.2.c.	Develop 5 Stream Corridor Priority Plans to prioritize stream restoration activities by 2028. (SCW D3)	
OM 4.1.2.d.	Revitalize at least 21 acres guided by the 5 Stream Corridor Priority Plans, through native plant revegetation and removal of invasive exotic species by 2028. (SCW D2)	
OM 4.1.2.e.	Provide funding for revitalization of at least 7 of 21 acres through community partnerships through 2028. (SCW D2)	
OM 4.1.2.f.	Develop at least 2 plant palettes (1 riparian and 1 wetland) for use on revegetation projects to support birds and other wildlife by 2017. (SCW D2)	
OM 4.1.2.g.	Complete planning and design for two creek/lake separations by 2019. (SCW D4)	
OM 4.1.2.h.	Construct one creek/lake separation project in partnership with local agencies. (SCW D4)	

E4 Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.

E4.1 Protect and restore creek, bay, and other aquatic ecosystems.

OM 4.1.2.i.	Use $6 million for fish passage improvements through 2019. (SCW D4)	
OM 4.1.2.j.	Conduct study of all major steelhead streams in the County to identify priority locations for installation of large woody debris and gravel as appropriate by 2028. (SCW D4)	
OM 4.1.2.k.	Install large woody debris and/or gravel at a minimum of 5 sites (1 per each of 5 major watersheds) by 2028. (SCW D4)	
OM 4.1.2.l.	Construct site improvements up to $4 million to allow for transportation and placement of future sediment by 2028. (SCW D8)	
4.1.3. Promote the protection of creeks, bay, and other aquatic ecosystems from threats of pollution and degradation.		**3,345,838**
OM 4.1.3.a.	Three instream habitat features protected by 2017.	
OM 4.1.3.b.	Maintain partnership with cities and County to address surface water quality improvements through 2028. (SCW B2)	
OM 4.1.3.c.	Support 5 pollution prevention activities to improve surface water quality in Santa Clara County either independently or collaboratively with south county organizations through 2028. (SCW B2)	
OM 4.1.3.d.	Provide 7 grant cycles and 5 partnerships that follow pre-established competitive criteria related to preventing or removing pollution through 2028. (SCW B3)	
4.1.4. Engage and educate the community in the protection of water quality and stream stewardship.		**1,994,676**
OM 4.1.4.a.	100% of Clean, Safe Creeks stewardship grant agreements are signed, according to schedule.	
OM 4.1.4.b.	Fund District support of annual National River Cleanup day, California Coastal Cleanup Day, the Great American Pick Up, and fund the Adopt-A-Creek Program through 2028. (SCW B7)	
OM 4.1.4.c.	Provide 7 grant cycles and 3 partnerships that follow pre-established competitive criteria related to cleanups, education and outreach, and stewardship activities through 2028. (SCW B7)	
4.1.5. Prepare and respond to emergencies that threaten local waterways.		**201,140**
OM 4.1.5.a.	Respond to 100% of hazardous materials reports requiring urgent on-site inspection in two hours or less through 2028. (SCW B5)	
4.1.6. To the extent within practicable control of the District, adopt a strategy to restore the salmonid fishery on identified salmonid streams within fifteen years of strategy adoption by creating suitable accessible spawning and rearing.		**1,616,766**
E4.1 Subtotal		**28,302,711**

E4	**Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.**	
	E4.2 Improved quality of life in Santa Clara County through appropriate Public access to trails, open space and District facilities.	
	4.2.1. Support healthy communities by providing access to additional trails, parks, and open space along creeks and in the watersheds.	**1,895,576**
	OM 4.2.1.a. Provide 7 grant cycles and additional partnerships for $21 million that follow pre-established criteria related to the creation or restoration of wetlands, riparian habitat and favorable stream conditions for fisheries and wildlife, and providing new public access to trails through 2028. (SCW D3)	
	4.2.2. Support healthy communities by providing appropriate public access to District facilites.	**0**
	OM 4.2.2.a. Agreements with responsible partner agencies are in place for appropriate public access to District facilities	
	E4.2 Subtotal	**1,895,576**

E4

Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.

E4.3 Strive for zero net greenhouse gas emission or carbon neutrality.

4.3.1. Reduce greenhouse gas emissions to achieve carbon neutrality by 2020.		602,313
OM 4.3.1.a.	Maintain California Green Business Certification.	
OM 4.3.1.b.	By 2020, the amount of District greenhouse gas emissions is equal to or less than carbon offsets as calculated by the District carbon offset methodology.	
E4.3 Subtotal		**602,313**
E4 Total		**30,800,600**

This page left intentionally blank.



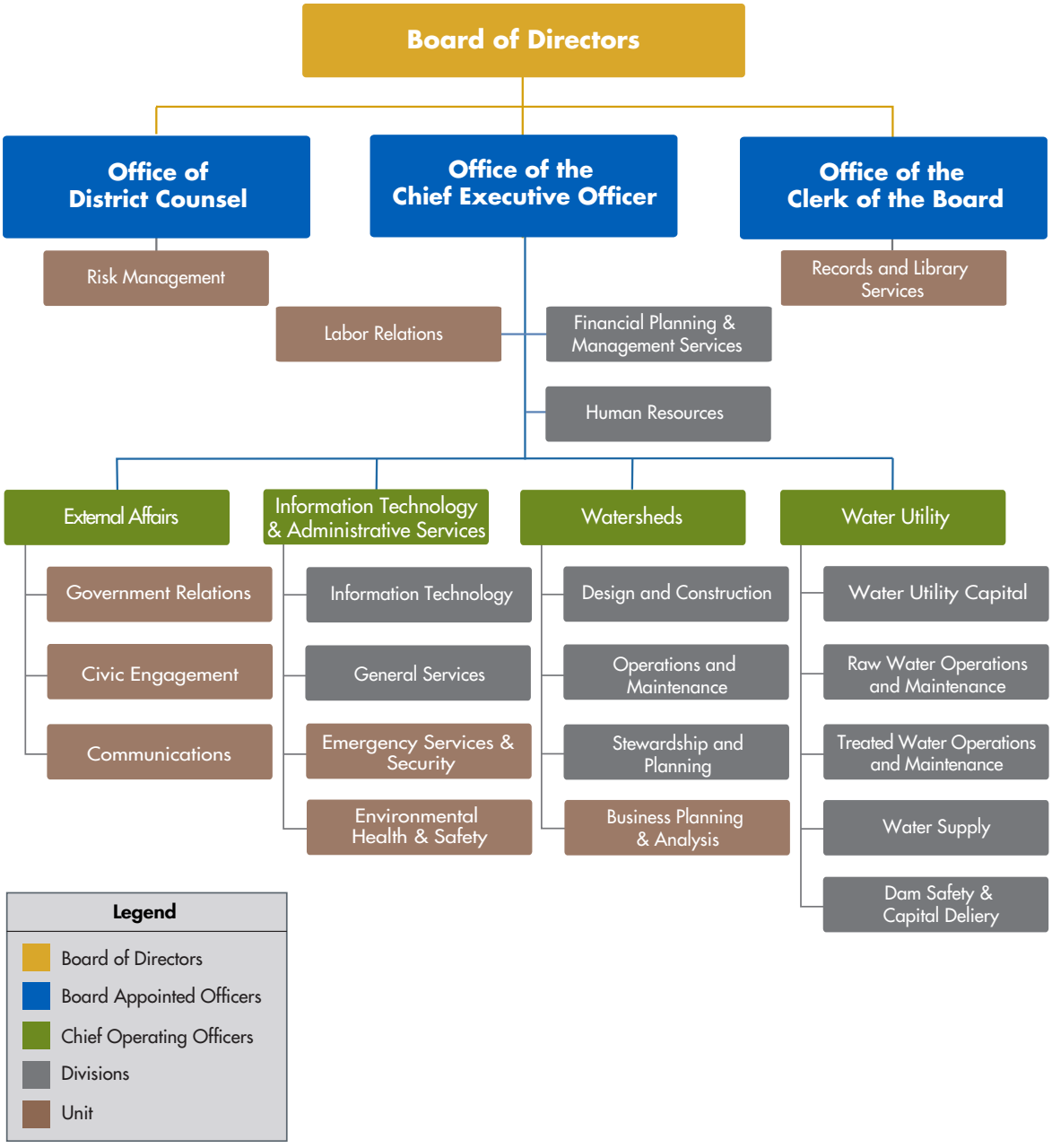
Division Summaries

FY 2019-20

Operating and Capital Budget

DIVISION SUMMARY

Valley Water Organizational Chart



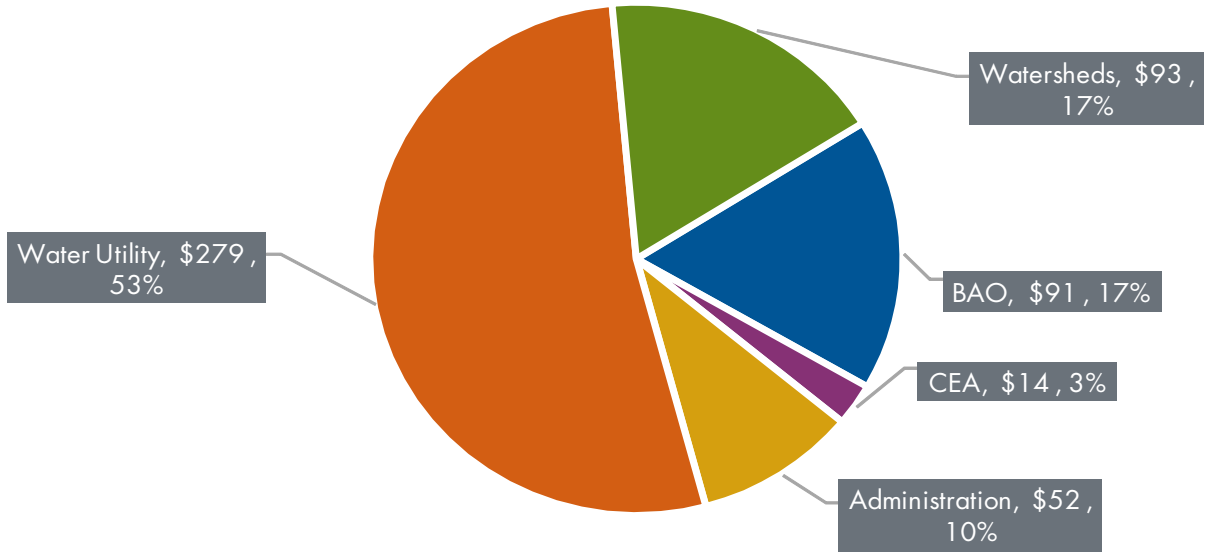
Description

The Santa Clara Valley Water District (Valley Water) utilizes a project-based budget to accurately appropriate budget to the various funds and assess precise water rates. The project-based budget is presented by ends outcomes and at the fund level in chapters 4 and 6.

The Division Summary chapter is another way of looking at Valley Water's budget. This chapter represents a functional view of Valley Water displaying all expenses that are charged by the organization area, division, and department by project type and account category.

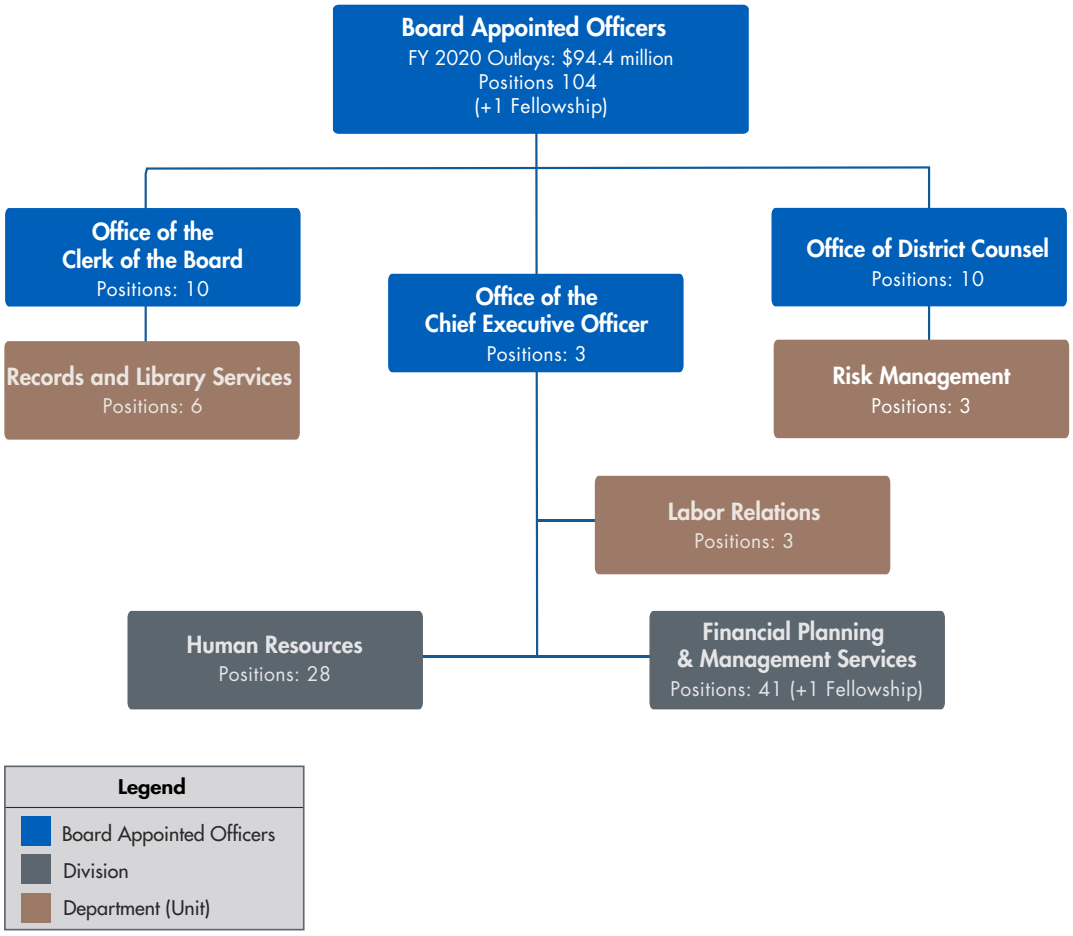
The first financial table that displays expenses by project type includes "Operations" capturing on-going costs and "Operating" capturing one-time, non-capital expenses. The chapter also includes authorized position counts for three fiscal years. Organization areas and their division and departments begin with an organization chart showing the FY 2020 budget and positions. Each area also has an overview of the services they provide, their objectives, accomplishments, and milestones.

FY 2019-20 Adopted Budget Summary by Org Area, $529 Million[1]



[1]Total is net of $80.8M intra-district reimbursements (e.g. overhead cost charted to projects for administrative support services such as human resources and information technology etc).

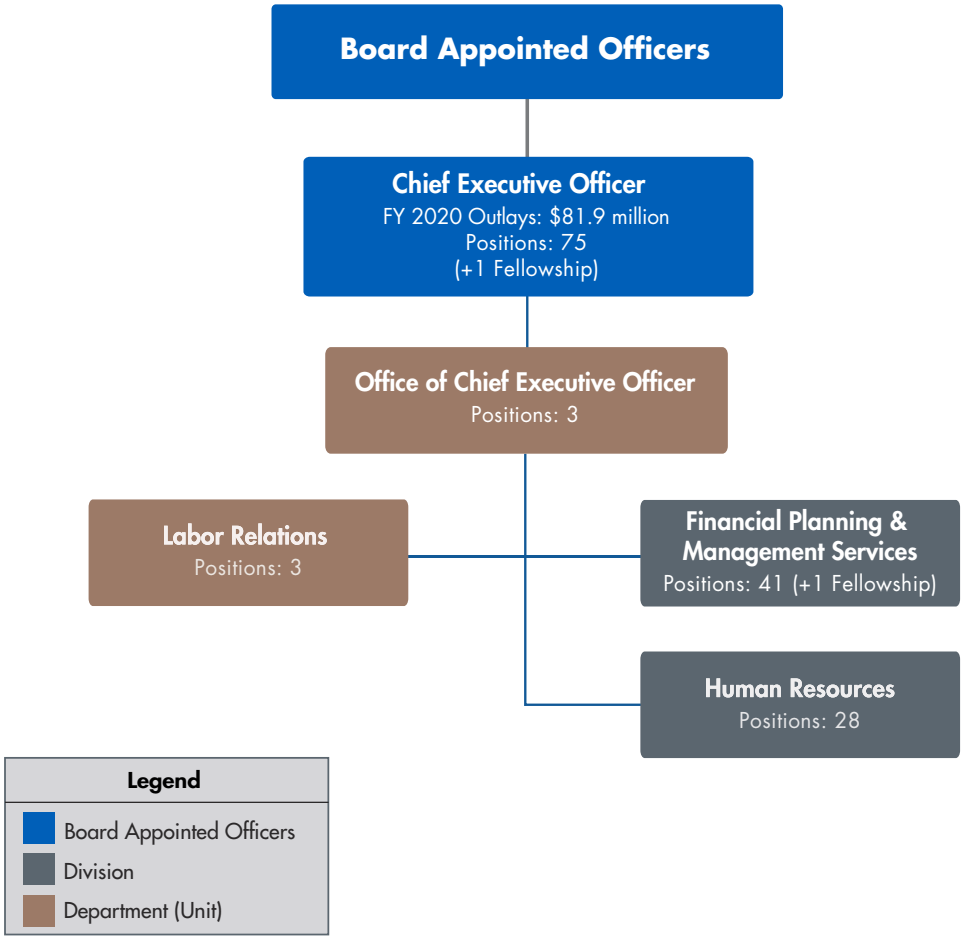
Board Appointed Officers



Description

Board Appointed Officers (BAOs) support the mission of the Santa Clara Valley Water District (Valley Water), to provide Silicon Valley safe, clean water for a healthy life, environment, and economy through essential core services for Valley Water, and include the Chief Executive Office, the District Counsel and the Clerk of the Board. The BAOs provide executive leadership of Valley Water; support to the Board of Directors and ensure that Valley Water efficiently implements the Board's Ends policies in conformance with Executive Limitations policies; high quality trustworthy and responsive legal counsel to Valley Water in a manner that creatively assists in accomplishing Valley Water's mission; and maximize public access to the citizens of Santa Clara County in accordance with the State of California Ralph M. Brown Act.

Office of the CEO



Division Description and Objectives

The Office of the Chief Executive Officer (CEO) provides strategic direction and oversight to lead Valley Water in implementing its mission and achieving its vision; fosters cooperative and collaborative working relationships with other government agencies, retailers, stakeholders, and the community; supports the Board of Directors to ensure that Valley Water meets the Board's Ends policies and complies with Boards' Executive Limitations Policies in a transparent, cost-effective, and efficient manner. The Office of CEO also oversees Labor Relations, Human Resources Division,and Financial Planning and Management Services Division.

Labor Relations

Labor Relations promotes a proactive, and positive labor relations program, in compliance with legal mandates, negotiated agreements, and constructive management principles. Labor Relations represents Valley Water management in all matters involving labor relations. Labor Relations negotiates, interprets, applies, and enforces

contracts and regulations and acts as a resource in the areas of administrative policies and procedures.

FY 2019 Accomplishments

During FY 2019, the Office of the CEO completed the following activities:

- Fostered cooperative and collaborative working relationships with other agencies.
- Maintained transparency by sending out organization-wide communications regarding key Board decisions such as the California WaterFix. In addition to organization-wide communications, the Office of the CEO posts to the CEO Corner on aqua.gov to keep staff informed.
- Provided quarterly updates to the Board regarding progress on the Board's FY20 Board Priorities.
- Ensured organizational fiscal accountability and transparency through an open and transparent budget process.
- Focused on Diversity and Inclusion efforts through the D&I Program's involvement in the FY20 summer internship program application vetting process during FY18 and quarterly Valley Water diversity updates to the Board. Additionally, per Board direction, established the Diversity and Inclusion Ad Hoc Committee.
- Attended meetings in Sacramento – CEO sits on Board for monthly Delta Habitat Conservation and Conveyance Program (DHCCP), State and Federal Contractors Water Agency (SFCWA) meetings, and California Urban Water Agencies (CUWA) bi-monthly meetings.
- Attended business related conferences, such as City Managers' conference, Association of California Water Agencies' conference, WateReuse symposium, the Association of Metropolitan Water Agencies conference, and other pertinent conferences.
- Held a Board Retreat on September 18, 2018 which provided an opportunity for the Board, staff and public to idea share, discuss, give direction and make decisions on current and long-term issues, opportunities, and processes to better communicate and engage, and get results.
- Held a Board Strategic Planning Session on December 5, 2018 to review the current FY19 Board Work Plan and the goals, strategies and focuses therein, along with the corresponding changes, challenges and opportunities to determine whether the goals, strategies and focuses could carry over to FY20 or needed to be revised. The Board also had the opportunity to identify whether any new goals, strategies or focuses needed to be developed.
- Successfully negotiated process changes and policy updates with three bargaining units regarding the Ethics and Business Conduct Policy.
- Successfully negotiated process changes and an MOU side letter with one bargaining unit regarding removal of Agency Shop language from the MOU per the Janus v. AFSCME case.
- Successfully negotiated process change and side letter with the bargaining units regarding the hiring of limited term staffing in support of the upcoming District-wide ERP upgrade project.
- Through a partnership with Liebert Cassidy Whitmore, provided access to 10 management workshops to Water Valley staff (approximately 100 attendees).
- Successfully negotiated Water Utility Enterprise reorganization, creating the New Dam Safety Delivery Division.
- Successfully negotiated the rollout procedure for Valley Water's 401(a) program for all employees.
- Successfully negotiated the Watershed and Water Utility Environmental Integration reorganization.
- Successfully negotiated process changes and policy updates with the unions regarding the Reasonable Accommodation policy.

FY 2020 Milestones

- Ensure organizational fiscal accountability and transparency through June 2020.
- Maintain and ensure approved audit recommendations are fully implemented through June 2020.
- Update the strategies for achieving the Board Ends Policies by June 2020.
- Ensure that a systematic workforce development and succession planning process is implemented by June 2020.
- Monitor and report on Diversity and Inclusion Program implementation by June 2020.
- Establish a process and receive half-yearly compliance status memo from Chiefs stating Executive Limitation policy compliance and identification of any known non-compliance issue with corrective action stated through June 2020.
- Attend monthly City Manager's Meetings through June 2020.
- Attend monthly meetings in Sacramento – CEO sits on Board for monthly Delta Habitat Conservation and Conveyance Program (DHCCP), State and Federal Contractors Water Agency (SFCWA) meetings, and California Urban Water Agencies (CUWA) bi-monthly meetings through June 2020.
- Report on labor relation issues at the Management-Leadership Team meetings (quarterly).
- Collaborate with Workforce Development Unit to develop training programs, as appropriate, by 6/30/20.
- Provide coaching and training to managers according to policies and MOU, as needed, by 6/30/20.

Office of the CEO — Budget Summary

Project Type (Category)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Operations	2,137,588	1,850,036	1,926,613	76,577	4%
Operating	0	0	0	0	4%
Total *	**2,137,588**	**1,850,036**	**1,926,613**	**76,577**	**4%**

Department (Unit)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Office of Ethics & Corporate Governance	557,690	0	0	0	0%
Labor Relations	780,267	786,358	840,209	53,851	7%
Office of the CEO	799,631	1,063,679	1,086,405	22,726	2%
Total *	**2,137,588**	**1,850,036**	**1,926,613**	**76,577**	**4%**

* Totals includes intra-district reimbursement charges.

Authorized Positions (excluding fellowships)

Office of the CEO	**8**	**6**	**6**	**0****

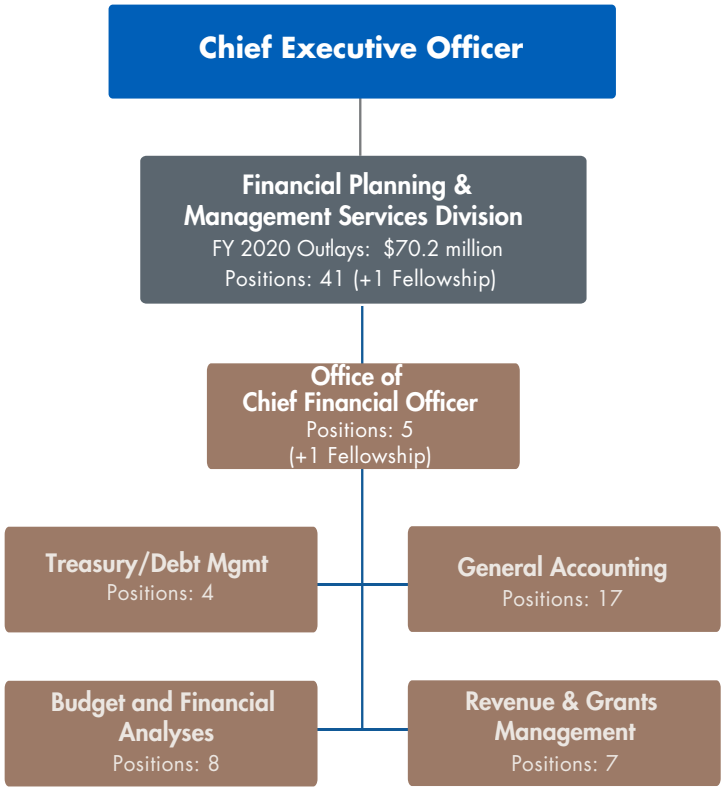
** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

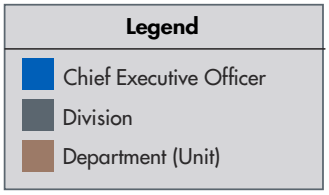
Operations Budget by Department and Account Category

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Office of the CEO					
	Salaries & Benefits	722,111	818,110	846,180	28,070
	Services & Supplies	33,982	146,300	133,700	(12,600)
	Intra District Charges	43,538	99,269	106,525	7,256
Office of the CEO (102) Total		**799,631**	**1,063,679**	**1,086,405**	**22,726**
Office of Ethics & Corporate Governance					
	Salaries & Benefits	75,638	0	0	0
	Services & Supplies	472,224	0	0	0
	Intra District Charges	9,828	0	0	0
Office of Ethics & Corporate Governance (105) Total		**557,690**	**0**	**0**	**0**
Labor Relations					
	Salaries & Benefits	665,399	647,410	690,951	43,541
	Services & Supplies	27,865	54,900	56,985	2,085
	Intra District Charges	87,003	84,047	92,272	8,225
Labor Relations (917) Total		**780,267**	**786,358**	**840,209**	**53,851**
Operations Total*		**2,137,588**	**1,850,036**	**1,926,613**	**76,577**
Division Total*		**2,137,588**	**1,850,036**	**1,926,613**	**76,577**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Financial Planning and Management Services Division





Division Description and Objectives

Under the direction of the Chief Financial Officer, the Financial Planning and Management Services Division (FPMSD) serves as a partner to assist other departments in achieving their objectives. The primary roles of FPMSD are to facilitate necessary financial transactions, provide analyses and recommendations on decisions brought forth by operations, establish controls that minimize financial risks, and drive change or improvements in business processes or practices in order to improve productivity.

Treasury/Debt Management

Treasury manages district-wide treasury and debt financing programs, which includes the investment portfolio with a book value of over $620 million as well as the debt portfolio of over $700 million. In addition to managing the debt service budget, Treasury unit also prepares all legally required reports to meet bond covenants as well as state and federal requirements to ensure compliance with securities laws. Furthermore, Treasury Unit staff, working with external municipal advisor and bond/disclosure counsel, leads debt issuance activities to provide the necessary funding to pay for capital projects. Finally, the Treasury Unit provides professional financial advisory to support key capital projects such as the California Delta Conveyance Project, Pacheco Reservoir, Los Vaqueros Reservoir, Sites Reservoir, Recycled and Purified Water Public-Private-Partnership, among others. The Treasury unit strives to achieve the objectives of maintaining high credit ratings, keeping financing costs low, and ensuring the safety, liquidity and yield of Valley Water's funds.

Budget and Financial Analyses

Budget and Financial Analyses provides timely and accurate financial information and analyses throughout the year. The department captures the cost of the resources needed for managing, planning and implementing, District-wide processes that culminate with the production of the annual operating and capital budget document, provides District-wide financial analyses, and high level monitoring of financial results, and ensures that financial information provided to Board, the public, and staff is accurate, reliable and in accordance with Valley Water policy.

Continual Improvement

Continual Improvement supports the CEO's ability to lead the organization and ensure the Board is informed and supported in its work. The Continual Improvement department carries out this support through Valley Water's Quality and Environmental Management System, facilitating Board-commissioned, CEO-commissioned, and/or internal audits, and communicating monitoring data to the Board on the status of achieving its Ends Policies.

General Accounting

This department includes the areas of General Ledger, Accounts Payable, Payroll, and Accounting Systems. The General Ledger area focuses on accounting and financial reporting in compliance with laws, regulations, Valley Water policies and accounting professional standards. Accounts Payable is charged with processing payment disbursements to Valley Water's contractors, consultants, and vendors, administering petty cash, and filing payment documents. Payroll processes the bi-weekly payroll, employee benefits accounting, payroll tax withholdings and submission of Federal and State reporting requirements. Accounting Systems provides for the maintenance and security of the processes and information within the enterprise resource planning software.

Revenue and Grants Management

This department collects water revenue and property taxes/assessments for Valley Water. Water revenue is comprised of charges for treated, ground, recycled and surface water usage. Property taxes/assessments collected are the voter-approved Safe Clean Water Special Tax, Flood Control Benefit Assessment, and State Water Project levy, and the allocated share of countywide 1% ad valorem property tax receipts. Grants Management manages the application for and administration of local, state and federal grants and cost-sharing agreements for capital projects.

Financial Planning

This team prepares and manages long term financial plans and forecasts and drives the groundwater production charge setting process, which includes the preparation of the annual report on the Protection and Augmentation of Water Supplies (PAWS).

FY 2019 Accomplishments

During FY 2019, the FPMD completed the following activities:

- Completed the Groundwater Production Charge (GPC) setting process that was adopted on May 14th, 2019
- Produced the 48th annual PAWS report and filed it with the Clerk of the Board on February 22, 2019
- PERS/OPEB update provided to Board on Feb 12, 2019
- Completed alternative revenue sources report for the Board on October 31, 2018
- Earned over $10 million in interest income from the investment portfolio.
- Met all debt compliance legal requirements such as the Annual Continuing Disclosure filing on EMMA as required by the Securities Exchange Commission, and California State Treasurer's Annual Debt Transparency Report.
- Provided ongoing financial support for various projects, such as the California Water Fix, Expedited Purified Water Program Public-Private-Partnership, Pacheco Reservoir, Sites Reservoir, and Los Vaqueros Reservoir.
- Renewed the Bank of Tokyo Letter of Credit in the amount of $150M through 12/13/2019 at a reduced fee of 0.325% for the Commercial Paper Program
- Refunded approximately $100 million in outstanding Commercial Paper with the Water Utility Refunding Revenue Bonds, Series 2019A/B at a low all-in true interest cost of 3.8%.
- Finalized the FY17-18 Comprehensive Annual Financial Report in accordance with the Governmental Finance Officers Association standards for excellence
- Completed all year-end tax reporting and State reporting requirements on time
- Coordinated District-wide annual operating budget process for FY 2019-2020.
- Produced FY 2019-20 Adopted Budget Summary Document
- Prepared and presented District-wide FY 2019-20 proposed budget reports and analysis for the Board budget study session
- Received the Distinguished Budget Presentation Award from the Government Finance Officer Association (GFOA) for the Valley Water's FY 2018-19 Operating and Capital Budget document.
- Completed audit of Valley Water's 2018-2019 parcel tax database to determine if the parcels were assessed/taxed with the approved assessment methodology, in preparation for the FY2020 tax roll.

- Received approximately $11M in revenue from grants/reimbursements/cost share agreements and State Flood Subvention Program.
- Created a Grant Management Policies and Procedures Manual.

FY 2020 Milestones

- Produce Annual Report on Protection and Augmentation of Water Supplies by first Tuesday in April
- Facilitate adoption of groundwater production and other charges by the Board by May every year
- Facilitate completion of QEMS internal audits by June of each year
- Oversee CEO-directed and Board-directed audit contracts and monitor contract expenditures on an ongoing basis
- Provide PERS/OPEB update to the Board by March of each year
- Complete Comprehensive Development Impact Fee studies
- Actively manage $600M+ investment portfolio, and $700M+ debt portfolio
- Ensure timely payments of debt service for each outstanding bond issue in accordance to bond payment schedule
- Prepare annual continuing bond disclosure statement to comply with regulations and submit to the Municipal Securities Rulemaking Board by March
- Provide ongoing financial support for various projects, such as the California Delta Conveyance, Expedited Purified Water Program Public-Private-Partnership, Pacheco Reservoir, Sites Reservoir, and Los Vaqueros Reservoir.
- Issue Water Utility Refunding Revenue Bonds, Series 2020A and 2020B (Taxable) with an estimated par amount of $90 million.
- Finalize the Comprehensive Annual Financial Report in accordance with the Governmental Finance Officers Association standards for excellence by the end of December 2019, maintaining Valley Water's "Unmodified Audit Opinion" regarding the independent examination of Valley Water Financials
- Meet State and Federal tax reporting requirements for 1099's by January 2020
- Issue employee W-2's and complete 2019 W-2 Tax Reporting by January 31, 2020
- Submit 2019 calendar year compensation report to the State Controller's Office by April 2020
- Prepare and present annual operating budget for Board adoption by June 30 annually
- Complete FY 2020 Adopted Operating and Capital Budget Summary document by July 15, 2019
- Produce District-wide presentation material and agenda memos for board budget workshop
- Assist in the implementation of new ERP financial system
- Submit FY 2020 budget document for award consideration to GFOA by September 30, 2019
- Generate semi-annual and annual groundwater, surface water, and recycled water statements by January and July of each year. Generate monthly groundwater and treated water invoices by the 10th of each month.
- Submit SCW special tax and benefit assessment tax information to county assessor's office by August of each year
- Manage grants, cost sharing agreements, and State Flood Subvention Program; prepare quarterly reporting and schedule/claims for allowable expenditures
- Prepare claim reports on Bond Proceeds/Commercial Paper/Certificates of Participation and Safe.

- Complete the annual Single Audit by March 31.

Financial Planning and Management Services Division — Budget Summary

Project Type (Category)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Operations	10,485,028	11,032,765	11,508,565	475,800	4%
Operating	0	0	0	0	4%
Debt Service	38,739,931	59,189,136	58,607,155	(581,981)	-1%
Capital	308,351	1,272,541	126,459	(1,146,082)	-90%
Total *	**49,533,311**	**71,494,442**	**70,242,179**	**(1,252,263)**	**-2%**

Department (Unit)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Office of CFO	0	0	2,436,453	2,436,453	0%
Continual Improvement	1,003,986	1,146,295	0	(1,146,295)	-100%
Budget & Financial Analyses	1,676,898	1,923,715	2,134,557	210,842	11%
General Accounting	3,347,514	3,985,295	3,571,158	(414,137)	-10%
Revenue and Grants Management	2,406,076	2,220,722	2,340,696	119,974	5%
Treasury & Debt Management	41,098,836	62,218,415	59,759,314	(2,459,101)	-4%
Total *	**49,533,311**	**71,494,442**	**70,242,179**	**(1,252,263)**	**-2%**

* Totals includes intra-district reimbursement charges.

Authorized Positions (excluding fellowships)

Financial Planning and Management Division	**43**	**42**	**41**	**(1)****

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

Operations Budget by Department and Account Category

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Treasury & Debt Management					
	Salaries & Benefits	1,245,064	1,515,385	749,287	(766,099)
	Services & Supplies	479,597	880,230	176,150	(704,080)
	Intra District Charges	356,074	423,150	100,263	(322,887)
Treasury & Debt Management (106) Total		**2,080,735**	**2,818,765**	**1,025,700**	**(1,793,065)**
Office of CFO					
	Salaries & Benefits	0	0	1,276,800	1,276,800
	Services & Supplies	0	0	831,400	831,400
	Intra District Charges	0	0	328,254	328,254
Office of CFO (116) Total		**0**	**0**	**2,436,453**	**2,436,453**
Continual Improvement					
	Salaries & Benefits	817,678	856,507	0	(856,507)
	Services & Supplies	17,452	180,239	0	(180,239)
	Intra District Charges	165,833	109,549	0	(109,549)
	Capital Expenditures	3,023	0	0	0
Continual Improvement (120) Total		**1,003,986**	**1,146,295**	**0**	**(1,146,295)**
Budget & Financial Analyses					
	Salaries & Benefits	1,386,042	1,413,237	1,734,491	321,255
	Services & Supplies	103,813	190,300	174,500	(15,800)
	Intra District Charges	186,249	175,926	225,566	49,639
Budget & Financial Analyses (606) Total		**1,676,105**	**1,779,463**	**2,134,557**	**355,094**
General Accounting					
	Salaries & Benefits	2,810,269	2,616,913	2,977,708	360,794
	Services & Supplies	145,903	167,750	205,250	37,500
	Intra District Charges	361,953	282,857	388,201	105,344
General Accounting (673) Total		**3,318,126**	**3,067,520**	**3,571,158**	**503,638**
Revenue and Grants Management					
	Salaries & Benefits	1,301,301	1,258,290	1,375,649	117,360
	Services & Supplies	319,488	184,400	227,000	42,600
	Intra District Charges	785,287	778,032	738,047	(39,985)
Revenue and Grants Management (683) Total		**2,406,076**	**2,220,722**	**2,340,696**	**119,974**
Operations Total*		**10,485,028**	**11,032,765**	**11,508,565**	**475,800**

Debt Service Budget by Department and Account Category

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Treasury & Debt Management					
	Services & Supplies	990,787	3,241,959	4,394,440	1,152,481
	Debt Service	37,749,145	55,947,177	54,212,715	(1,734,462)
Treasury & Debt Management (106) Total		**38,739,931**	**59,189,136**	**58,607,155**	**(581,981)**
Debt Service Total*		**38,739,931**	**59,189,136**	**58,607,155**	**(581,981)**

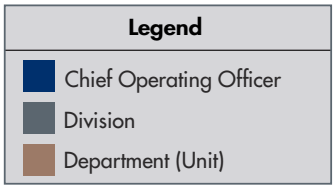
Capital Budget by Department and Account Category

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Treasury & Debt Management					
	Salaries & Benefits	109,958	128,973	81,595	(47,378)
	Services & Supplies	95,322	0	0	0
	Intra District Charges	72,890	81,541	44,864	(36,677)
Treasury & Debt Management (106) Total		**278,170**	**210,514**	**126,459**	**(84,055)**
Office of CFO					
Office of CFO (116) Total		**0**	**0**	**0**	**0**
Continual Improvement					
Continual Improvement (120) Total		**0**	**0**	**0**	**0**
Budget & Financial Analyses					
	Salaries & Benefits	0	94,248	0	(94,248)
	Services & Supplies	793	0	0	0
	Intra District Charges	0	50,004	0	(50,004)
Budget & Financial Analyses (606) Total		**793**	**144,252**	**0**	**(144,252)**
General Accounting					
	Salaries & Benefits	21,710	602,051	0	(602,051)
	Intra District Charges	7,679	315,724	0	(315,724)
General Accounting (673) Total		**29,388**	**917,775**	**0**	**(917,775)**
Capital Total*		**308,351**	**1,272,541**	**126,459**	**(1,146,082)**
Division Total*		**49,533,311**	**71,494,442**	**70,242,179**	**(1,252,263)**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Human Resources Division





Division Description and Objectives

The Human Resources Division is responsible for planning, managing, directing and coordinating Division staff and providing District-wide assistance in the areas of human resources. The Division includesfunctional units and thefollowing programs: Recruitment and Examination, Classification and Compensation, Benefits and Wellness,TalentDevelopment, Succession Planning, Rotation, Human Resources System Management, Ethics and Equal Employment Opportunity, Reasonable Accommodation, and Diversity and Inclusion.

Office of Talent & Inclusion

The Office of Talent & Inclusion is responsible for planning, managing, directing and coordinating the staff and operations of the Human Resources Division and providing District-wide assistance in the areas of human resources.

Recruitment and Examination/Classification and Compensation

This program includes Recruitment & Examination, Internship Programs, and Classification & Compensation, and is responsible for providing oversight of the recruitment and selection processes district-wide including year round and summer internship programs, partnering with community organizations and colleges for workforce planning, maintaining accurate classification specifications and job descriptions, conducting compensation surveys, providing classification and compensation advice to management.

Benefits and Wellness

This programisresponsible for the administration of employee and retiree benefit plans, conducting new hire orientations and separations, processing payroll and HR transactions, and administration of the award-winningWellnessProgram (includes on-site fitness classes, ongoing employee education on overall various health initiatives, annual well-beingfair,lunch and learns, employee rewards, etc.)

Talent Development, Succession Planning and Rotation

This program administers the District-wideTalentDevelopment Program and Rotation Programs established to provide a capable workforce by meeting the training and professional development needs of Valley Water. The program will equip employees with the tools to promote continuous learning and professional growth. The program also provides leadership development and leadership consultations, performance management training, succession development, general training and general training consultations. The program also administers the Learning Management System (LMS) which hosts training data, Health & Safety training data, and other compliance related data.

Human Resource Systems Management

This program has ownership of HR technology to align technology strategy with key HR and Valley Water goals by providing technology planning and support for all HR programs, and will lead and drive efforts for continuous improvement by selecting technology that facilitates sharing of data across multiple systems and ensuring that the selected technology is leveraged to improve efficiency, effectiveness and add value.

Ethics & Inclusion Unit

The Ethics & Inclusion Unit ensures District-wide compliance with state and federal laws and Valley Water policies regarding discrimination and harassment and applicable ethics laws. The Unit also promotes the effective handling of challenging ethical issues by management and staff and a diverse and talented workforce.

Ethics and Equal Opportunity

Ethics and Equal Opportunity Program (EEOP) implements Valley Water's Equal Opportunity complaint resolution process and is designed to ensure that Valley Water is free from discrimination, harassment, disparate treatment, and retaliation based on race, gender, age, religion, and other protected categories. This program also helps ensure Valley Water policies and practices support an ethical and accountable business culture, and sustains the highest standards of ethical conduct by employees in all Valley Water dealings.

The EEOP implements, monitors, and provides oversight for compliance with mandated Ethics training for Form 700 filers (AB 1234) and the mandated Sexual Harassment Prevention training for Valley Water managers, supervisors and leads (AB 1825) and all employees (SB 1343).

Reasonable Accommodation

The Reasonable Accommodation Program ensures District-wide compliance with state and federal laws regarding reasonable accommodations for staff and qualified applicants with physical and/or psychological disabilities, including: The Federal Americans with Disabilities Act (ADA), The ADA Amendments Act (ADAAA) and California's Fair Employment and Housing Act (FEHA).

Diversity and Inclusion

The Diversity and Inclusion Program strengthens Valley Water ability to effectively deliver innovative services and to attract, retain, recognize, and promote a diverse and talented workforce. through implementation of the Valley Water's new Diversity and Inclusion (D&I) Master Plan for FY2020 - FY2022, This program also administers the Employee Recognition Program and the All Employee Meeting and supports all 12 of Valley Water's Employee Resource Groups (ERGs) through both budget and staffing.

FY 2019 Accomplishments

During FY 2019, the Office of the HRD completed the following activities:

- Supported operations with an expedited recruitment process.
- Negotiated and implemented a new reclassification process.
- Implemented the new NeoGov on-boarding module allowing our new hires to complete the necessary forms prior to their official start date.
- Wellbeing is now also embedded into Valley Water's culture, recruitment and retention strategy, and 90% of employees think the wellbeing program make Valley Water a better place to work. Valley Water's commitment to wellbeing has also earned them regional and national recognition. Last year we won 1st place as the healthiest employer in the bay area (500-1999 employees), landed on the list of 100 healthiest workplaces in America and received the Western Regional IPMA-HR Agency Award of Excellence.
- Served on CRB for Valley Water's ERP project vendor selection.
- Continued maintenance and update of Valley Water's performance management system.
- Implemented and administered various employee development programs including, two rotation programs for Engineers Society and Employees Association Bargaining Units.
- Launched an online new employee onboarding module to help automate the collection and management of new- hire paperwork and enhance the overall onboarding experience.

- Enhanced leadership and management training for supervisors and managers.
- Implemented a new Learning Management System.
- A formalized robust Reasonable Accommodation was developed and launched district-wide to ensures compliance with the ADA and FEHA laws.
- Updated the Ethics and Business Conduct Policy.
- Updated the Form 700 Process for Consultant determinations to expedite the completion.
- Completed the annual Disparate Impact Analysis report

FY 2020 Milestones

- Conduct Employee Development Performance Program (EDPP) reviews with all Human Resources unit managers and direct reports by 7/31/19 to establish goals, February 2020 for Mid-Year Reviews, and August 2020 for Year End Reviews
- Conduct bi-annual AB-1234 training by December 2019
- Conduct Annual Form 700 filing process by April 2020
- Complete an inventory of HR technology
- Work with ERP project team to increase User adoption of new ERP
- Manage the Leadership Programs (Supervisory, Leads Academy, etc.) by June 2020
- Implement new Coaching/Mentoring program by June 2020
- Process all annual health plan renewals and coordinate open enrollment for all active employees, board of directors, retirees and COBRA participants by April 1, 2020
- Coordinate and process the annual flexible spending account (FSA) open enrollment for all active employees and board of directors by January 1, 2020
- Develop and coordinate onsite wellness activities and programs and provide a Wellness Executive Summary to management by June 30, 2020
- Update and implement a new Diversity and Inclusion Master Plan objectives and tactics to replace the existing Master Plan
- Report annually on the implementation progress of the Diversity and Inclusion Master Plan by June 2020
- Coordinate All-Employee Meeting by June 2020
- Coordinate the Employee Recognition Program and Service Awards Events in FY 2020
- Complete and electronically file EEO-4 Survey, no later than September 30 of every even-numbered Fiscal Year through June 30, 2020
- Provide Annual Disparate Impact Analysis Report raw data to external consultant for analysis each calendar year by October 2020

Human Resources Division — Budget Summary

Project Type (Category)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Operations	6,015,521	7,694,722	9,674,393	1,979,671	26%
Capital	7,800	751,873	0	(751,873)	-100%
Total *	**6,023,322**	**8,446,595**	**9,674,393**	**1,227,798**	**15%**

Department (Unit)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Employee Recruitment and Benefits	3,644,954	4,619,050	0	(4,619,050)	-100%
Office of Talent & Inclusion	1,226,727	1,682,582	7,970,718	6,288,136	374%
Ethics & Equal Opportunity	0	0	1,703,675	1,703,675	374%
Workforce Development	1,151,640	2,144,963	0	(2,144,963)	-100%
Total *	**6,023,322**	**8,446,595**	**9,674,393**	**1,227,798**	**15%**

* Totals includes intra-district reimbursement charges.

Authorized Positions (excluding fellowships)

Human Resources Division	**24**	**25**	**28**	**3****

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

Operations Budget by Department and Account Category

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Workforce Development					
	Salaries & Benefits	720,501	833,531	0	(833,531)
	Services & Supplies	313,445	1,196,450	0	(1,196,450)
	Intra District Charges	117,693	114,982	0	(114,982)
Workforce Development (623) Total		**1,151,640**	**2,144,963**	**0**	**(2,144,963)**
Office of Talent & Inclusion					
	Salaries & Benefits	871,652	1,213,051	4,582,259	3,369,208
	Services & Supplies	202,385	223,535	2,780,800	2,557,265
	Intra District Charges	152,324	162,697	607,659	444,963
Office of Talent & Inclusion (915) Total		**1,226,360**	**1,599,282**	**7,970,718**	**6,371,436**
Ethics & Equal Opportunity					
	Salaries & Benefits	0	0	1,027,838	1,027,838
	Services & Supplies	0	0	533,300	533,300
	Intra District Charges	0	0	142,537	142,537
Ethics & Equal Opportunity (919) Total		**0**	**0**	**1,703,675**	**1,703,675**
Employee Recruitment and Benefits					
	Salaries & Benefits	2,533,612	2,397,093	0	(2,397,093)
	Services & Supplies	777,596	1,263,308	0	(1,263,308)
	Intra District Charges	326,314	290,076	0	(290,076)
Employee Recruitment and Benefits (927) Total		**3,637,521**	**3,950,477**	**0**	**(3,950,477)**
Operations Total*		**6,015,521**	**7,694,722**	**9,674,393**	**1,979,671**

Capital Budget by Department and Account Category

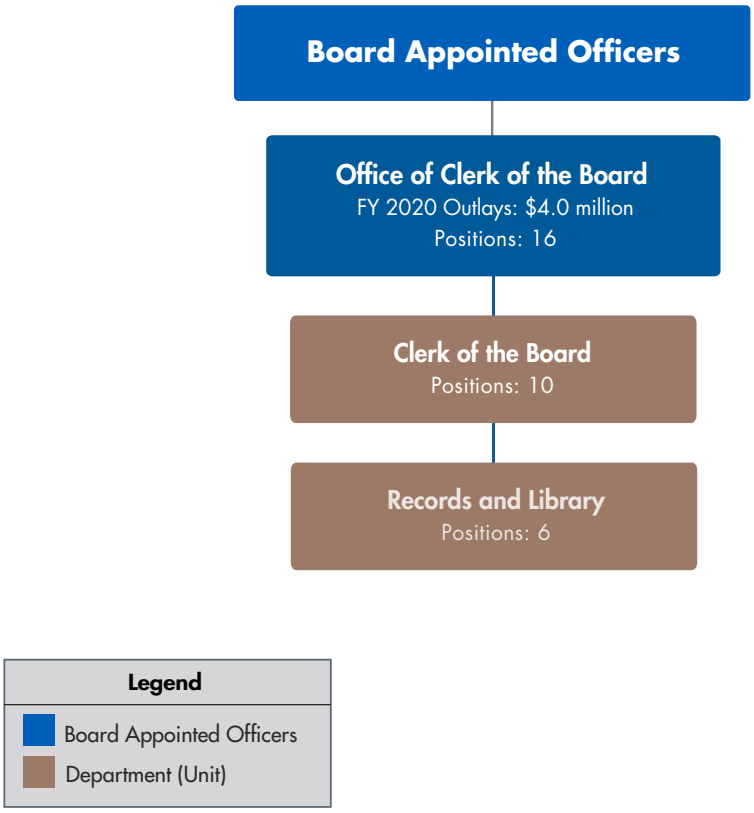
Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Workforce Development					
Workforce Development (623) Total		**0**	**0**	**0**	**0**
Office of Talent & Inclusion					
	Salaries & Benefits	367	53,432	0	(53,432)
	Intra District Charges	0	29,868	0	(29,868)
Office of Talent & Inclusion (915) Total		**367**	**83,300**	**0**	**(83,300)**
Employee Recruitment and Benefits					
	Salaries & Benefits	4,710	435,870	0	(435,870)

Capital Budget by Department and Account Category (Continued)

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
	Intra District Charges	2,723	232,703	0	(232,703)
Employee Recruitment and Benefits (927) Total		**7,433**	**668,573**	**0**	**(668,573)**
Capital Total*		**7,800**	**751,873**	**0**	**(751,873)**
Division Total*		**6,023,322**	**8,446,595**	**9,674,393**	**1,227,798**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Office of Clerk of the Board



Division Description and Objectives

The Office of the Clerk of the Board (COB) directly supports the work of the Valley Water Board of Directors, including Board Governance Policy management, Board performance monitoring, lobbyist reporting and tracking, elections, regulatory, administrative, and liaison support services to the Board, its Advisory, Ad Hoc and Joint Committees with other public agencies, the Safe, Clean Water and Natural Flood Protection Program's Independent Monitoring Committee, Board Appointed Officers, and Valley Water staff.

The Office of the Clerk of the Board facilitates the public's access to Board information, including Board and committee meetings in accordance with the California Ralph M. Brown Act. Additionally, the COB monitors the Board budget and Board members' expenses in accordance with District Ordinance 02-01, Resolution 11-73, and Board Governance Policy GP-10, and maintains the integrity of the Board's legislative records, processes, and actions. The Office of the Clerk of the Board also oversees Records & Library Services.

Records & Library Services

Records & Library Services Unit provides: the administration of the Records Management Center and the Valley Water Library (including secure storage, retrieval, and proper disposition of Valley Water records and reference materials), administration of the Valley Water Records Management Program, and the provision of Valley Water's responses to legal demands for records.

FY 2019 Accomplishments

During FY19, the COB completed the following activities.

- Successfully managed over 40 Regular and Special Board Meeting in accordance with the District Act, Board Policies, and the Ralph M. Brown Act
- Successfully managed over 80 Board Committee Meetings in accordance with Board Policies and the Ralph M. Brown Act
- Successfully scheduled over 1300 meetings for individual Directors
- Tracked, monitored and reported on the registration of external lobbyists in accordance with Ordinance 10-01
- Assigned tracked and monitored approximately 325 Board Correspondences
- Assigned and tracked approximately 8Board Member Requests and 12 Individual Board Member Request in accordance with Board Governance Policy EL-2.6
- Successfully scheduled presentation of Board Committee Accomplishment reports in the third quarter of fiscal year
- Supported the redesign and upgrade of our Engineering Drawings Management System
- Supported the redesign of the external website with user search behavior analysis, the development of the "Popular Documents and Data" resource, and enhanced metadata development.
- Developed intranet resource pages to assist staff in locating records relevant to their work needs.
- Developed intranet webpages to provide access to scanned files from 1960s-1970s.
- Upgraded Valley Water digital photo asset management system and developed new catalog for Water Conservation photos.
- Responded to over 400 legal demands for documents

FY 2020 Milestones

- Schedule presentation of Board Advisory Committee Accomplishment Reports to the Board of Directors by February 2020.
- Coordinate the Surface Water Charge protest and verification process to be completed no later than May 2020.
- Coordinate and present 2020 Board Meeting Compensation information and hearing in January 2020.
- Provide Board of Directors with a report of registered external lobbyists by August 2019 and February 2020.
- Assign, track and monitor Board Member Requests, responses and staff performance to ensure compliance with Governance Policy EL-7.9.
- Assign, track and monitor Board Correspondence to ensure compliance with Governance Policy EL-2.6.
- Post Board and Board Committee meeting agendas in accordance with District Act, Board Governance Policies and the Ralph M. Brown Act with 100% compliance.

Office of Clerk of the Board — Budget Summary

Project Type (Category)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Operations	3,397,459	4,856,742	4,008,583	(848,160)	-17%
Operating	0	0	0	0	-17%
Capital	2,279	0	0	0	-17%
Total *	**3,399,737**	**4,856,742**	**4,008,583**	**(848,160)**	**-17%**

Department (Unit)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Office of Clerk of the Board	2,344,245	3,588,325	2,745,322	(843,002)	-23%
Records and Library Services	1,055,493	1,268,418	1,263,260	(5,157)	0%
Total *	**3,399,737**	**4,856,742**	**4,008,583**	**(848,160)**	**-17%**

* Totals includes intra-district reimbursement charges.

Authorized Positions (excluding fellowships)

Office of Clerk of the Board	**16**	**16**	**16**	**0****

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

Operations Budget by Department and Account Category

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Office of Clerk of the Board					
	Salaries & Benefits	1,794,885	1,776,061	1,873,673	97,611
	Services & Supplies	334,282	1,592,501	635,511	(956,990)
	Intra District Charges	215,077	219,762	236,139	16,377
Office of Clerk of the Board (604) Total		**2,344,245**	**3,588,325**	**2,745,322**	**(843,002)**
Records and Library Services					
	Salaries & Benefits	827,285	998,897	1,023,357	24,461
	Services & Supplies	106,158	139,200	110,660	(28,540)
	Intra District Charges	119,772	130,321	129,243	(1,078)
Records and Library Services (765) Total		**1,053,214**	**1,268,418**	**1,263,260**	**(5,157)**
Operations Total*		**3,397,459**	**4,856,742**	**4,008,583**	**(848,160)**

Capital Budget by Department and Account Category

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Records and Library Services					
	Salaries & Benefits	1,432	0	0	0
	Intra District Charges	847	0	0	0
Records and Library Services (765) Total		**2,279**	**0**	**0**	**0**
Capital Total*		**2,279**	**0**	**0**	**0**
Division Total*		**3,399,737**	**4,856,742**	**4,008,583**	**(848,160)**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Office of District Counsel





Division Description and Objectives

The Office of District Counsel provides for professional, timely, and strategic legal advice to and representation of Valley Water and its officers and employees, and, for the management of the legal services and the related risk management functions. It includes both internal legal services and management of the external legal services provided to Valley Water. The Office of District Counsel also oversees the Risk Management Administration.

Risk Management

The mission of Risk Management is to protect assets by identifying and evaluating loss exposures and applying effective risk management techniques to reduce or eliminate risk. Specifically, the department is tasked with management of Valley Water's Workers Compensation program and risk retention (self-insurance) and risk transfer (insurance) programs to cost-effectively maximize coverage and to comply with Board Governance policies.

FY 2019 Accomplishments

During FY 2019, the Office of District Counsel completed the following activities:

- Provided timely legal advice to Valley Water, Valley Water Board, officers, and employees
- Provided representation to Valley Water relating to annual groundwater production charges
- Provided environmental legal advice and representation as to the FAHCE complaint
- Provided legal advice regarding imported water matters including water transfer agreements and litigation
- Provided legal advice to Valley Water regarding on-going capital projects
- Provided legal advice to the Human Resources Division regarding on-going personnel and labor relations matters
- Administered the Workers Compensation program in a manner that increased employee awareness of potential dangers and sought to reduce employee injuries and accidents
- Administered the Liability and Property programs in a manner that provided prompt and fair adjustment of claims and losses
- Managed safety, ergonomics and industrial hygiene programs in compliance with regulatory requirements and industry best practices
- Secured triennial Crime Policy by April 1, 2019
- Actuarial reports completed for the Self-Insured WC Program and Liability Program
- Initiated Request for Proposal (RFP) for Property Appraisal for Insurance Valuation Purposes
- Updated all Appendices IV
- Secured drone insurance on an expedited basis effective May 22, 2019.

FY 2020 Milestones

- Provide quarterly Executive Monitoring Report (current litigation) to the Board of Directors
- Placement of Workers Compensation Insurance Policy by February 1, 2020
- Post Cal/OSHA Log 300 February 1 through April 30, 2020
- Report Valley Watinjuries/illnesses at monthly Safety Committee meetings
- Organize quarterly W/C claim file review
- Interface with TPA and state governmental entities to ensure Valley Water compliance with new medical set-aside regulations
- Provide periodic comprehensive reports detailing the progress of the W/C program.
- Secure Non-Owned Aircraft Policy by February 1, 2020
- Secure 1st, 2nd, and 3rd Excess Liability Policies by May 1, 2020
- Secure Cyber Liability Policy by June 1, 2020
- Secure Property Insurance Policy by July 1, 2020
- Secure Drone Policy by May 31, 2020
- Review all policies for coverage and accuracy by June 30, 2020.
- Complete Property Appraisal for Insurance Valuation Purposes by June 30, 2020.

Office of District Counsel — Budget Summary

Project Type (Category)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Operations	5,720,843	8,047,176	7,706,859	(340,316)	-4%
Operating	509,507	500,000	100,000	(400,000)	-80%
Capital	513,066	914,223	813,000	(101,223)	-11%
Total *	**6,743,415**	**9,461,399**	**8,619,859**	**(841,540)**	**-9%**

Department (Unit)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Risk Management	2,856,566	4,136,600	3,177,664	(958,935)	-23%
Office of District Counsel	3,886,849	5,324,799	5,442,195	117,396	2%
Total *	**6,743,415**	**9,461,399**	**8,619,859**	**(841,540)**	**-9%**

* Totals includes intra-district reimbursement charges.

Authorized Positions (excluding fellowships)

Office of District Counsel	**13**	**13**	**13**	**0****

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

Operations Budget by Department and Account Category

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Office of District Counsel					
	Salaries & Benefits	2,637,506	2,550,817	2,780,924	230,107
	Services & Supplies	379,339	1,519,200	1,468,000	(51,200)
	Intra District Charges	356,938	340,560	380,271	39,712
Office of District Counsel (112) Total		**3,373,783**	**4,410,576**	**4,629,195**	**218,619**
Risk Management					
	Salaries & Benefits	622,607	627,697	668,792	41,095
	Services & Supplies	1,857,958	3,133,550	2,163,500	(970,050)
	Intra District Charges	376,001	375,353	345,372	(29,981)
Risk Management (113) Total		**2,856,566**	**4,136,600**	**3,177,664**	**(958,935)**
Operations Total*		**6,230,349**	**8,547,176**	**7,806,859**	**(740,316)**

Capital Budget by Department and Account Category

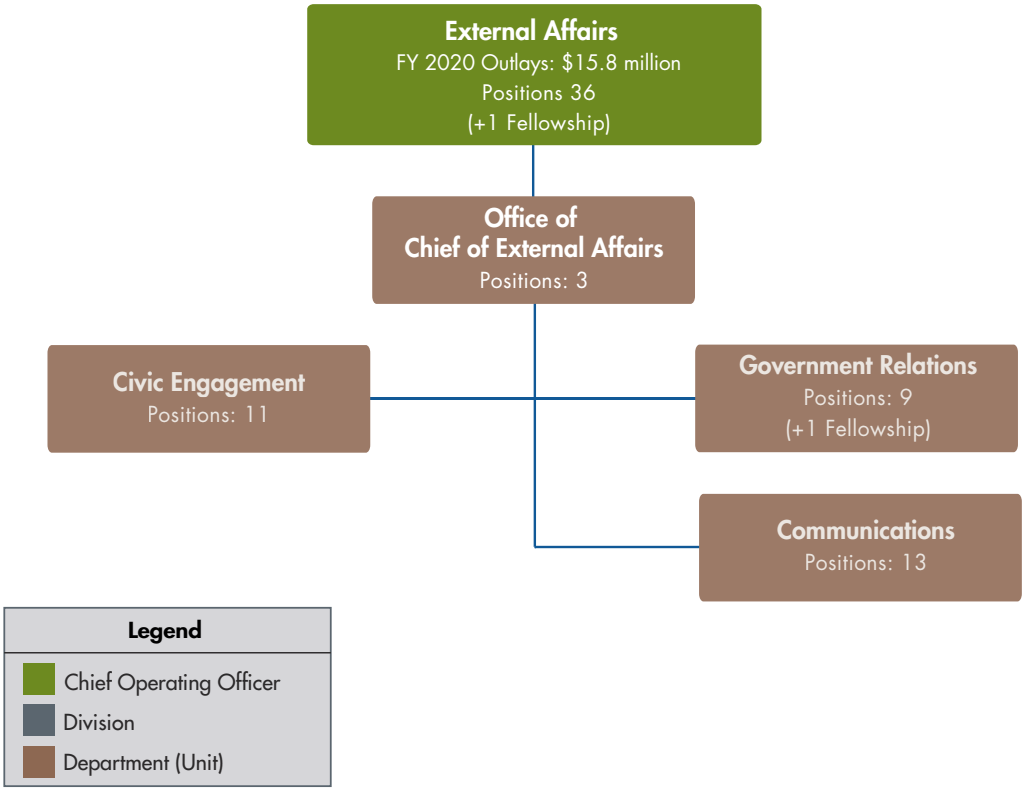
Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Office of District Counsel					
	Salaries & Benefits	0	49,124	0	(49,124)
	Services & Supplies	513,066	834,000	813,000	(21,000)
	Intra District Charges	0	31,099	0	(31,099)
Office of District Counsel (112) Total		**513,066**	**914,223**	**813,000**	**(101,223)**
Risk Management					
Risk Management (113) Total		**0**	**0**	**0**	**0**
Capital Total*		**513,066**	**914,223**	**813,000**	**(101,223)**
Division Total*		**6,743,415**	**9,461,399**	**8,619,859**	**(841,540)**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

External Affairs

External Affairs is responsible for programs that increase community awareness and engagement about Valley Water programs, projects, and challenges. External Affairs provides the strategic planning and integration of external policies and legislation as it relates to the business interests of Valley Water and is responsible for managing Valley Water's relationships with the community, government officials, the media, and other key stakeholders.

Office of Chief of External Affairs



Division Description and Objectives

The Office of External Affairs provides management and strategic planning oversight and integration of the Office of Communication, Office of Civic Engagement and Office of Government Relations. The Division is responsible for leading the efforts in developing the strategy and execution of internal and external communications to the media, community, and the public; and community engagement in the areas of education, volunteerism, and through grant programs and community rating system program. In addition, External Affairs leads all government relations efforts in local, regional, state, and federal levels, and is responsible for keeping the CEO, the Board and other Valley Water staff informed of public policies that directly affect operations.

Office of Civic Engagement

The Office of Civic Engagement partners with the community through grants, volunteer opportunities, and educational activities, including staffing a board-appointed advisory youth commission, to raise public awareness and interest in water management resource issues, water pollution prevention, water conservation and build understanding, trust and support of Valley Water's goals and mission. In addition, this office works to secure FEMA flood insurance discounts which benefits the community.

Office of Government Relations

The Office of Government Relations advocates at the local, regional, state, and federal levels to promote the water supply, flood protection, revenue enhancement, and environmental stewardship interests of Valley Water and the residents of Santa Clara County, in alignment with the Board's legislative priorities. Major activities include robust advocacy with elected and appointed officials and key advocacy stakeholders, execution of strategic partnerships, and community engagement through events and sponsorships.

Office of Communications

Communications informs, engages and educates the community and Valley Water employees about water supply and quality, flood protection and stream stewardship issues. In addition to being responsive to the community regarding updates on all Valley Water projects, the office also provides timely responses to media inquiries. Through social media platforms and marketing campaigns, Communications highlights the work of Valley Water and its Board of Directors.

FY 2019 Accomplishments

During FY 2019, External Affairs accomplishments include the following:

- Youth Commission: Collaborated with commissioners to launch a pilot art project to revitalize interpretive benches and facilitated the commission's Job Shadow Day in March 2019.
- Creek Stewardship: Through Coastal Cleanup Day in September 2018, we had 47 registered cleanup sites, recruited 1,931 volunteers, cleaned up 75.25 miles of creek and picked up a total of 56,808 lbs. of trash.
- Safe, Clean Water Grants & Partnership: Established partnership with Santa Clara County Office of Education to support environmental education in underserved school districts, and released $100,000 for Water Conservation Grants; $120,000 for Volunteer Cleanup & Education Grants; $571,000 for Trails & Open Space Grants; and $200,000 for Mini-Grants.
- Public art and signage: Inventoried over 1,100 signs; collected data on location and condition and began planning process for replacement phase with signage labeled as damaged.
- Launched Water 101 Academy ambassador program and trained 21 board selected ambassadors.
- Water Education: Presented to 4,070 students during first half of fiscal year and hosted more than 1,600 visitors at events and tours of the Silicon Valley Advanced Water Purification Center.
- Community Rating System (CRS) program assembled and distributed 10,000 emergency preparedness starter kits to all cities/county and throughout the community at various booth duty events.
- Worked with Senator Dianne Feinstein, Senator Kamala Harris and others in the county's congressional delegation to advocate for and secure full construction funding for Phase I of the Shoreline Project.
- Advocated for a funding path for the Pacheco Reservoir Expansion Project.
- Secured legislative passage of three Valley Water-sponsored bills, with two signed by the Governor: - AB 1889 (Caballero) District Act Revisions - SB 881 (Wieckowski) Shoreline Project State Subvention Authorization
- Educated, engaged, and bolstered support for the Board's and Valley Water's priorities with communities across Santa Clara County by facilitating Valley Water participation in 28 community events and highlighted water conservation, purified recycled water, and community-specific projects. Conducted a record number of six joint meetings with cities and the county to advance progress on mutual issues of importance to the agencies.

- Media relations highlights included successful media tour events in July and August of 2018 for the Shoreline Project in Alviso. Hosted celebratory event of the completion of the first phase of the San Francisquito Creek flood protection project in December 2018.
- Design of a new logo, tagline and moniker, approved by the Board of Directors in December 2018.

FY 2020 Milestones

- Evaluate and improve the Community Rating Systems (CRS) program which moved to External Affairs in February 2019; participate in the CRS 5-year verification cycle visit with FEMA's auditor to maintain or improve Valley Water's CRS classification by September 2019.
- Expand District-wide Volunteer Project, including a second Water 101 Academy for up to 21 ambassadors.
- Meeting 100% of the 5-year implementation plan for Safe, Clean Water Grants Program.
- Develop a standard process to monitor and maintain Valley Water owned signage.
- Launch a new social media campaign to further build public support for purified water and potable reuse.
- Enroll a combination of 5 more community organizations, schools and/or corporations to the Adopt-A-Creek Program.
- Register 40 or more cleanup sites for National River Cleanup Day and Coastal Cleanup Day.
- Reach at least 13,000 students per fiscal year through hands on lessons, field trips, and tours.
- Pass AB 707 (Kalra) to increase public works bidding for Valley Water.
- Conduct Mayor City Manager meetings and joint meetings with the Valley Water Board of Directors.
- Secure funding and authorization for Valley Water flood protection and water supply projects.
- Continue community support and engagement through sponsorships and community events program.
- Conduct advocacy trips to Washington DC and Sacramento to advance Valley Water priorities.
- Achieve at least 250,000 social media impressions, 5,000 engagements and 2,000 link clicks per quarter.
- Rebranding rollout is nearly halfway completed, with legacy signage unveiling events planned before end of the 2019 calendar year, along with an August 2019 inaugural all-employee event.
- Conduct two media events/tours per year.

Office of Chief of External Affairs — Budget Summary

Project Type (Category)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Operations	8,998,858	14,051,504	14,467,428	415,924	3%
Operating	26,677	3,460	0	(3,460)	-100%
Capital	686,206	502,039	1,337,849	835,810	166%
Total *	**9,711,741**	**14,557,003**	**15,805,277**	**1,248,274**	**9%**

Department (Unit)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Government Relations	2,913,942	3,362,582	3,662,544	299,962	9%
Civic Engagement	1,819,886	5,938,608	6,143,832	205,225	3%
Communications	3,858,972	4,324,266	5,009,835	685,569	16%
Office of Chief of External Affairs	1,118,940	931,547	989,065	57,518	6%
Total *	**9,711,741**	**14,557,003**	**15,805,277**	**1,248,274**	**9%**

* Totals includes intra-district reimbursement charges.

Authorized Positions (excluding fellowships)

Office of Chief of External Affairs	**28**	**32**	**36**	**4****

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

Operations Budget by Department and Account Category

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Office of Chief of External Affairs					
	Salaries & Benefits	725,250	705,831	751,278	45,447
	Services & Supplies	84,105	125,820	136,100	10,280
	Intra District Charges	80,506	93,002	101,687	8,686
Office of Chief of External Affairs (107) Total		**889,861**	**924,652**	**989,065**	**64,413**
Government Relations					
	Salaries & Benefits	1,417,493	1,938,921	2,199,970	261,049
	Services & Supplies	1,270,213	1,187,710	1,193,610	5,900
	Intra District Charges	221,545	235,951	261,649	25,697
Government Relations (152) Total		**2,909,251**	**3,362,582**	**3,655,228**	**292,646**
Civic Engagement					
	Salaries & Benefits	1,062,164	1,577,551	1,971,008	393,457
	Services & Supplies	366,396	3,803,698	3,280,370	(523,328)
	Intra District Charges	376,691	557,359	570,206	12,847
Civic Engagement (153) Total		**1,805,251**	**5,938,608**	**5,821,584**	**(117,024)**
Communications					
	Salaries & Benefits	1,605,600	2,015,097	2,120,554	105,458
	Services & Supplies	1,415,891	1,322,417	1,443,480	121,063
	Intra District Charges	399,681	491,608	437,516	(54,091)
Communications (172) Total		**3,421,173**	**3,829,122**	**4,001,551**	**172,429**
Operations Total*		**9,025,535**	**14,054,964**	**14,467,428**	**412,464**

Capital Budget by Department and Account Category

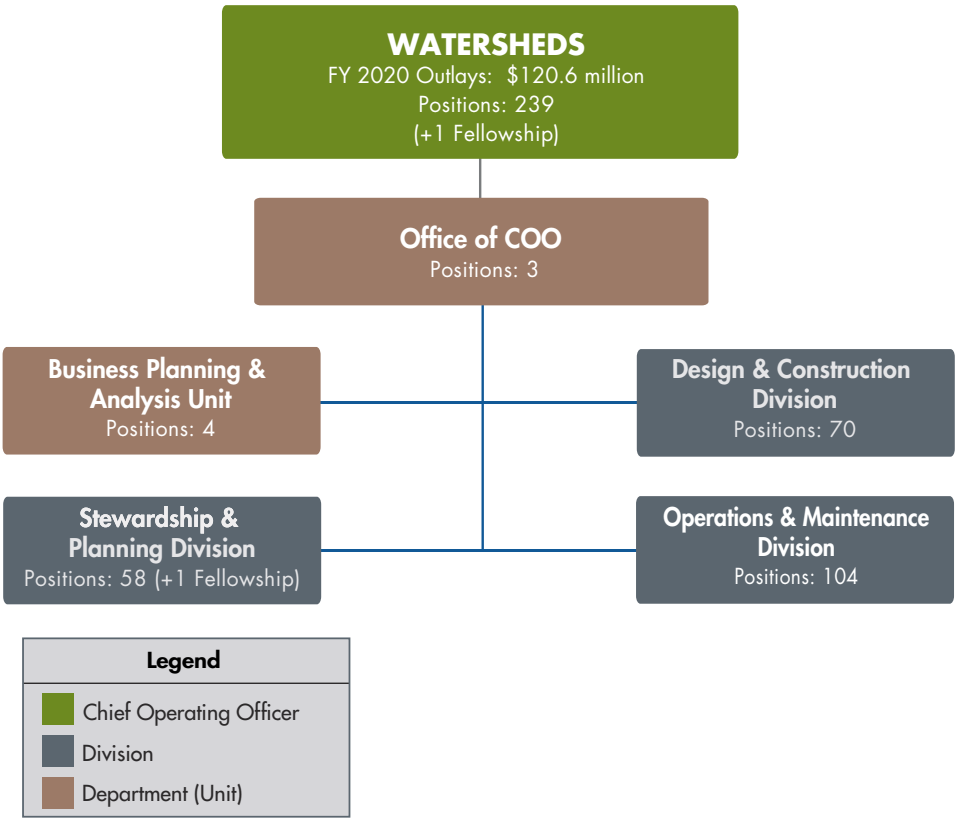
Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Office of Chief of External Affairs					
	Salaries & Benefits	2,605	6,091	0	(6,091)
	Services & Supplies	225,000	0	0	0
	Intra District Charges	1,474	803	0	(803)
Office of Chief of External Affairs (107) Total		**229,079**	**6,894**	**0**	**(6,894)**
Government Relations					
	Salaries & Benefits	2,788	0	4,731	4,731
	Intra District Charges	1,904	0	2,585	2,585
Government Relations (152) Total		**4,691**	**0**	**7,316**	**7,316**

Capital Budget by Department and Account Category (Continued)

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Civic Engagement					
	Salaries & Benefits	6,204	0	173,378	173,378
	Services & Supplies	5,414	0	50,000	50,000
	Intra District Charges	3,017	0	98,871	98,871
Civic Engagement (153) Total		**14,636**	**0**	**322,249**	**322,249**
Communications					
	Salaries & Benefits	231,528	304,827	553,780	248,953
	Services & Supplies	59,146	0	175,400	175,400
	Intra District Charges	147,125	190,317	279,104	88,787
Communications (172) Total		**437,800**	**495,145**	**1,008,284**	**513,140**
Capital Total*		**686,206**	**502,039**	**1,337,849**	**835,810**
Division Total*		**9,711,741**	**14,557,003**	**15,805,277**	**1,248,274**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

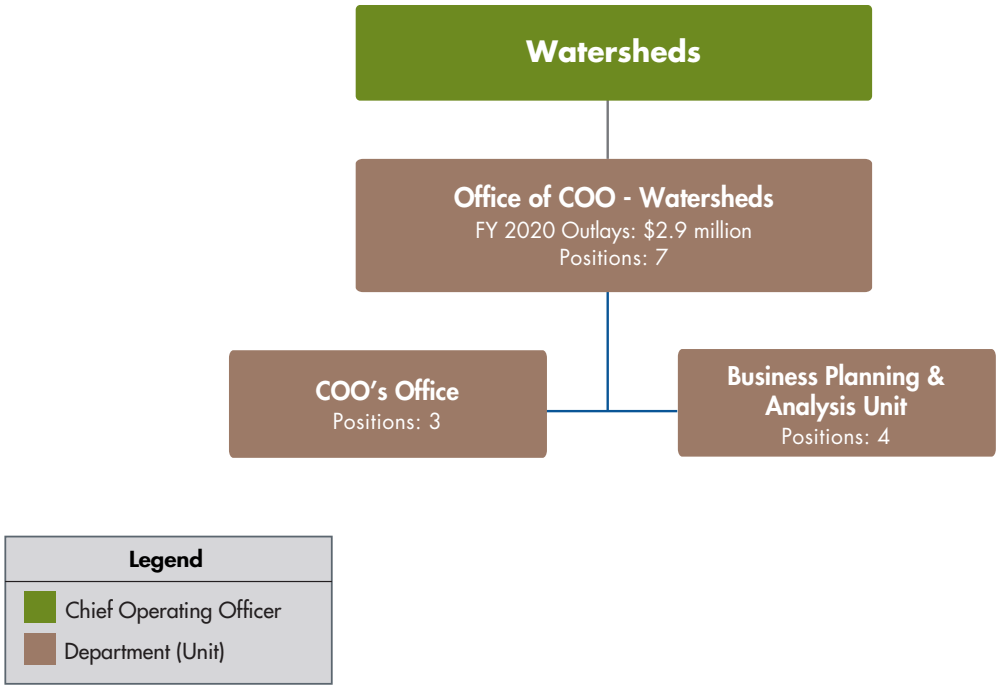
Watersheds



Description

Watersheds Operations (Watersheds) oversees five distinct watershed areas in Santa Clara County and is responsible for overall stewardship of these geographic areas, providing flood protection and field operations and mitigating environmental impacts, while enhancing positive environmental aspects.

Office of COO Watersheds



Division Description and Objectives

Watersheds Operations (Watersheds) oversees five distinct watershed areas in Santa Clara County and is responsible for overall stewardship of these geographic areas, providing flood protection and field operations and mitigating environmental impacts, while enhancing positive environmental aspects. Lead and manage Watersheds to achieve the Board's Ends, Goals and Objectives. This includes providing Watersheds the leadership, staff and funding to conduct the administrative nature of Watersheds functions. In general, this provides for management activities that promote communication, human resources development, budgeting, project efficiencies and process improvement, mentoring and recruitment, and supporting district-wide and special events/efforts that benefit the whole organization.

Business Planning and Analysis

This recently established unit manages, plans, and oversees the implementation of the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program); which includes managing reporting for all 38 projects under the Program, implementing the Change Control Process, providing financial oversight to ensure projects do not exceed their 15-year allocations, identifying additional funding sources as required, and supporting

the role of the Independent Monitoring Committee (IMC). Additionally, this unit will participate in the planning and development of a future funding Measure for voter-approval.

The unit is also responsible for developing and implementing two new programs:

The Lands Management Program to manage Valley Water's maintenance obligations on district-owned lands, lands with easements, and lands with obligations made through contractual commitments. Program activities include researching land rights and maintenance obligations; identifying required maintenance; developing a strategic approach to securing environmental clearances; and coordinating with Watersheds Field Operations and Vegetation Field Operations units to ensure the work is carried out as per the requirements and in a timely manner.

The Watersheds Operations and Maintenance (O&M) Planning Program is being developed in coordination with the Watersheds Field Operations and Vegetation Field Operations units and modeled after the Capital Improvement Program's 5-year plan. Activities include developing rolling 5-year Watershed O&M plans that are critical for the long-term financial planning, specifically for Watersheds Fund 12 resources.

FY 2019 Accomplishments

- New Watersheds Business Unit was created, and three positions were filled.
- All Safe, Clean Water Program FY 2019 Milestones were accomplished.
- The first Draft 5-Year O&M Plan was drafted and utilized as a financial planning tool for the FY 2020 budget development.
- The Lands Management Program was initiated with the first steps focused on developing a framework, gathering data, and beginning research.

FY 2020 Milestones

- Implement the Safe, Clean Water Program Annual Cycle, which includes developing the Program's annual report, providing support for IMC review and report development, developing the staff response to IMC review report, administering Change Control Process, and reviewing Program Priorities and funding to ensure all Priorities have sufficient funding to be accomplished under the Program.
- Develop and implement the Lands Management Program, which includes finalizing the framework for the Program, information and data collection, researching land rights and maintenance obligations, identifying maintenance obligations and providing assistance in prioritization of outstanding obligations, aiding in the development of a strategic approach to securing environmental clearances, and coordinating with O&M units to ensure identified maintenance obligations are included in the 5-year O&M Plan.
- Develop and implement the Watersheds O&M Planning Program, which includes building upon the development of the first Watersheds 5-year O&M Plan for FY 2020 – 2024 and developing a process to annually update the plan in time for the long-term forecast and budget processes. This will require close coordination with Watersheds Field Operations and Vegetation Field Operations Units and Financial Division.

Budget Issues and Constraints

- The Safe, Clean Water Program funding is limited and to ensure compliance with the Change Control Process requires close monitoring to verify that no project exceeds its 15-year Program allocation without analyzing the impacts to other project's deliverables.

Office of COO Watersheds — Budget Summary

Project Type (Category)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Operations	1,163,779	1,892,756	2,934,557	1,041,801	55%
Operating	0	0	0	0	55%
Capital	4,491	0	0	0	55%
Total *	**1,168,270**	**1,892,756**	**2,934,557**	**1,041,801**	**55%**

Department (Unit)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Office of COO Watersheds	1,168,270	1,892,756	1,565,999	(326,757)	-17%
Watershed Business Planning & Analysis	0	0	1,368,558	1,368,558	-17%
Total *	**1,168,270**	**1,892,756**	**2,934,557**	**1,041,801**	**55%**

* Totals includes intra-district reimbursement charges.

Authorized Positions (excluding fellowships)

Office of COO Watershed	4	4	7	3**

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

Operations Budget by Department and Account Category

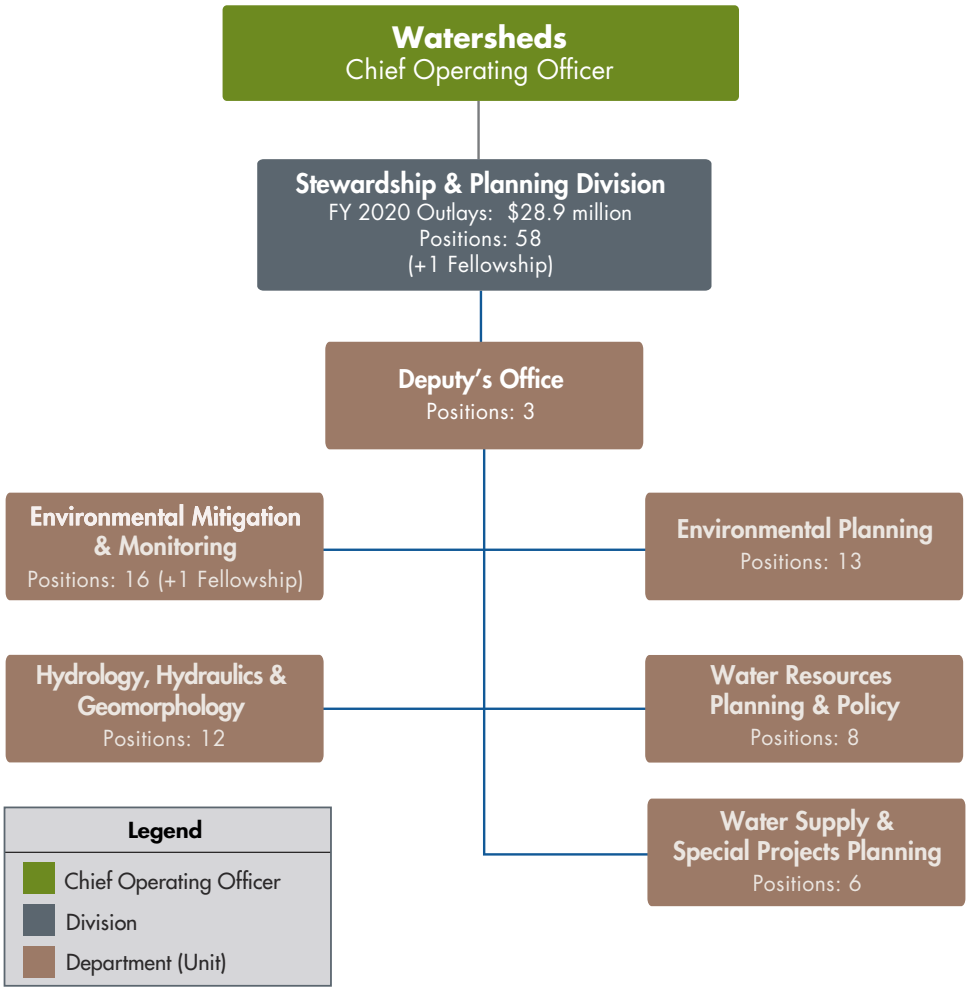
Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Watershed Business Planning & Analysis					
	Salaries & Benefits	0	0	858,674	858,674
	Services & Supplies	0	0	34,500	34,500
	Intra District Charges	0	0	475,384	475,384
Watershed Business Planning & Analysis (214) Total		**0**	**0**	**1,368,558**	**1,368,558**
Office of COO Watersheds					
	Salaries & Benefits	643,364	978,430	825,475	(152,955)
	Services & Supplies	107,874	309,730	304,125	(5,605)
	Intra District Charges	412,542	604,596	436,399	(168,197)
Office of COO Watersheds (215) Total		**1,163,779**	**1,892,756**	**1,565,999**	**(326,757)**
Operations Total*		**1,163,779**	**1,892,756**	**2,934,557**	**1,041,801**

Capital Budget by Department and Account Category

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Office of COO Watersheds					
	Salaries & Benefits	2,131	0	0	0
	Services & Supplies	1,189	0	0	0
	Intra District Charges	1,171	0	0	0
Office of COO Watersheds (215) Total		**4,491**	**0**	**0**	**0**
Capital Total*		**4,491**	**0**	**0**	**0**
Division Total*		**1,168,270**	**1,892,756**	**2,934,557**	**1,041,801**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Watershed Stewardship & Planning Division



Division Description and Objectives

Plan, organize, and manage the Watershed Stewardship & Planning Division, overseeing four departments with approximately 59 staff members. Oversee FAHCE and the Valley Water's watershed enhancement studies. Provide key decision making support for the departments to accomplish their goals. Communicate key Board, Valley Water and Executive goals and provide timely information.

Environmental Mitigation & Monitoring

The Environmental Mitigation and Monitoring Unit is responsible for: managing all the long-term mitigation monitoring programs for the Valley Water; two ecology-oriented, stewardship Safe Clean Water Programs (D2 and D5); land management and easement monitoring for mitigation lands; oversight of the plant pathogen program; providing biological subject matter expertise to support over 30 capital projects and long range planning programs; and managing the Fish aquatic habitat collaborative effort program. We provide ecological expertise supporting Valley Water activities, projects, and programs to effectively manage natural resources, stewardship, and comply with environmental laws and regulations. The Unit specializes in special-status species, jurisdictional habitats, impact assessments, avoidance and minimization measures, mitigation design and monitoring, and environmental permitting.

Water Resources Planning & Policy

The Water Resources Policy and Planning Department conducts all phases of project planning for watersheds. The primary tool for long term planning is the integrated water resources master plan (One Water plan), which attempts to develop an integrated watershed-based plan to enhance water resources management for Valley Water. Other planning work includes conducting detailed watersheds planning studies for flood protection and environmental stewardship (for example, the Salt Ponds A5-11 study to realign Calabazas and San Thomas Aquino creeks into the restored Salt Ponds; the Upper Penitencia Creek Flood and Stewardship project; and the Coyote Creek Flood and Stewardship project), reporting on policy developments related to watersheds, maintaining the Community Rating System program, developing the gravel augmentation and large woody debris fisheries study, working on the geomorphic restoration project (SCW D6), developing stream corridor priority plans (SCW D3), and coordinating the Valley Water partnership on the Salt Pond Restoration Project.

Environmental Planning

The Environmental Planning Department provides overall project planning, environmental document preparation, CEQA compliance and permitting services in support of Valley Water's Capital Improvement Program. Unit 247 also manages Safe Clean Water Projects; B-1 and B-2, provides surface water quality expertise and manages the Climate Change Action Plan (CCAP) project.

Hydrology, Hydraulics & Geomorphology

The Hydrology, Hydraulics and Geomorphology Department builds the foundation of our flood protection work, and it also provides the essential data for groundwater recharge and reservoir release analysis for environmental purposes. The department begins with the measurement of rainfall and stream flow gauge data; the analysis of which provides the flood flow frequency that determines the flood-control projects' design basis; routing the flood flow through the creeks then determines the creek size and height of levees and floodwalls; developing flood forecast and flood warning system to send flood warning messages to the community for potential flood risks; and the geomorphologic analysis that provides the basis for channel modification that minimizes maintenance needs and sustains long-term stability.

FY 2019 Accomplishments

- Created a new Flood Watch web site to support flood emergency monitoring and response.
- Completed problem definition report and began alternatives analysis for the Coyote Creek Flood Protection Project, and developed problem definition report for the Upper Penitencia Creek Flood Protection Project.
- Completed Countywide One Water Framework, and developed initial draft Coyote Creek Master Plan, including a hydrology and hydraulics update, to identify priority flood risk reduction and stream stewardship actions.
- Completed environmental review and permitting for the Bolsa Fish Passage Improvement Project, San Francisquito Creek Flood Protection Project, Lower Penitencia Creek Improvements, Cunningham Flood Detention Facility Certification, and Coyote Warehouse projects.
- Met all Safe Clean Water commitments: Executed two new partnership agreements for invasive plant control and habitat restoration, developed gravel and large woody debris studies for eight creeks, and completed plans for one installation in Los Gatos Creek.
- Operated and maintained oxygenation treatment systems in four reservoirs and reduced methylmercury in the bottom of the reservoir by an average of 70% below historical summer concentrations.
- Completed a Storm Water Resource Plan for the Santa Clara Basin, which prioritizes green storm water infrastructure projects for future funding.
- Completed reporting for 10 long-term mitigation monitoring programs and remained in compliance with all mitigation monitoring requirements.
- Provided technical leadership on prevention of soil-borne plant pathogens in regionwide restoration efforts.

FY 2020 Milestones

- Climate Change Action Plan by December 2019.
- One Water plan for the Guadalupe and Pajaro watersheds by July 2020.
- Planning study report for Coyote Creek project by January 2020.
- Final planning study report for the Upper Penitencia Creek project by Sept 2019. Planning to Design report by December 2019.
- Final Gravel Augmentation and LWD study for all steelhead creeks by Dec 2019. Install at Los Gatos Creek in summer of 2019.
- Continue improving flood forecast system and expanding 2 more flood forecast points by June 2020.
- Complete Ross Creek flood feasibility study by Dec. 2019.
- Complete South County Storm Water Resource Plan by summer 2019.
- Collaborate with the City of San Jose on trash mapping and removal for Coyote Creek and Guadalupe River.
- Complete the Stevens Creek Fish Passage Barrier Analysis by September 2019,
- Execute the Ogier Ponds Planning Study partnership agreement by June 2019, initiate Planning Study Report in collaboration with Santa Clara County staff.
- Conduct annual monitoring for capital project mitigation, including managing long-term monitoring programs for the Guadalupe River, Coyote Creek, and the Stream and Watershed Protection Program.

Budget Issues and Constraints

Water right complaints and associated draft settlement agreement, regulatory permits, external party requests for reevaluations, external partner funding limitations, and federal funding limits.

Watershed Stewardship & Planning Division — Budget Summary

Project Type (Category)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Operations	16,500,904	19,259,754	19,577,233	317,479	2%
Operating	2,393,838	4,153,171	4,427,170	273,999	7%
Capital	4,619,489	7,521,034	4,905,960	(2,615,074)	-35%
Total *	**23,514,231**	**30,933,959**	**28,910,363**	**(2,023,596)**	**-7%**

Department (Unit)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Water Resources Planning	2,915,442	3,932,717	3,265,346	(667,371)	-17%
Safe Clean Water Implementation	0	0	0	0	-17%
Water Resources Planning & Policy	3,760,477	6,817,703	3,715,858	(3,101,845)	-45%
Hydrology, Hydraulics & Geomorphology	4,280,736	4,183,252	4,975,722	792,470	19%
Office of WS Stwdship &Planning Div	1,144,665	1,193,113	1,213,474	20,362	2%
Environmental Planning	5,395,762	5,975,349	6,735,916	760,567	13%
Environmental Mitigation & Monitoring	6,017,149	8,831,825	9,004,047	172,221	2%
Total *	**23,514,231**	**30,933,959**	**28,910,363**	**(2,023,596)**	**-7%**

* Totals includes intra-district reimbursement charges.

Authorized Positions (excluding fellowships)

Watershed Stewardship & Planning Division	**57**	**58**	**58**	**0****

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

Operations Budget by Department and Account Category

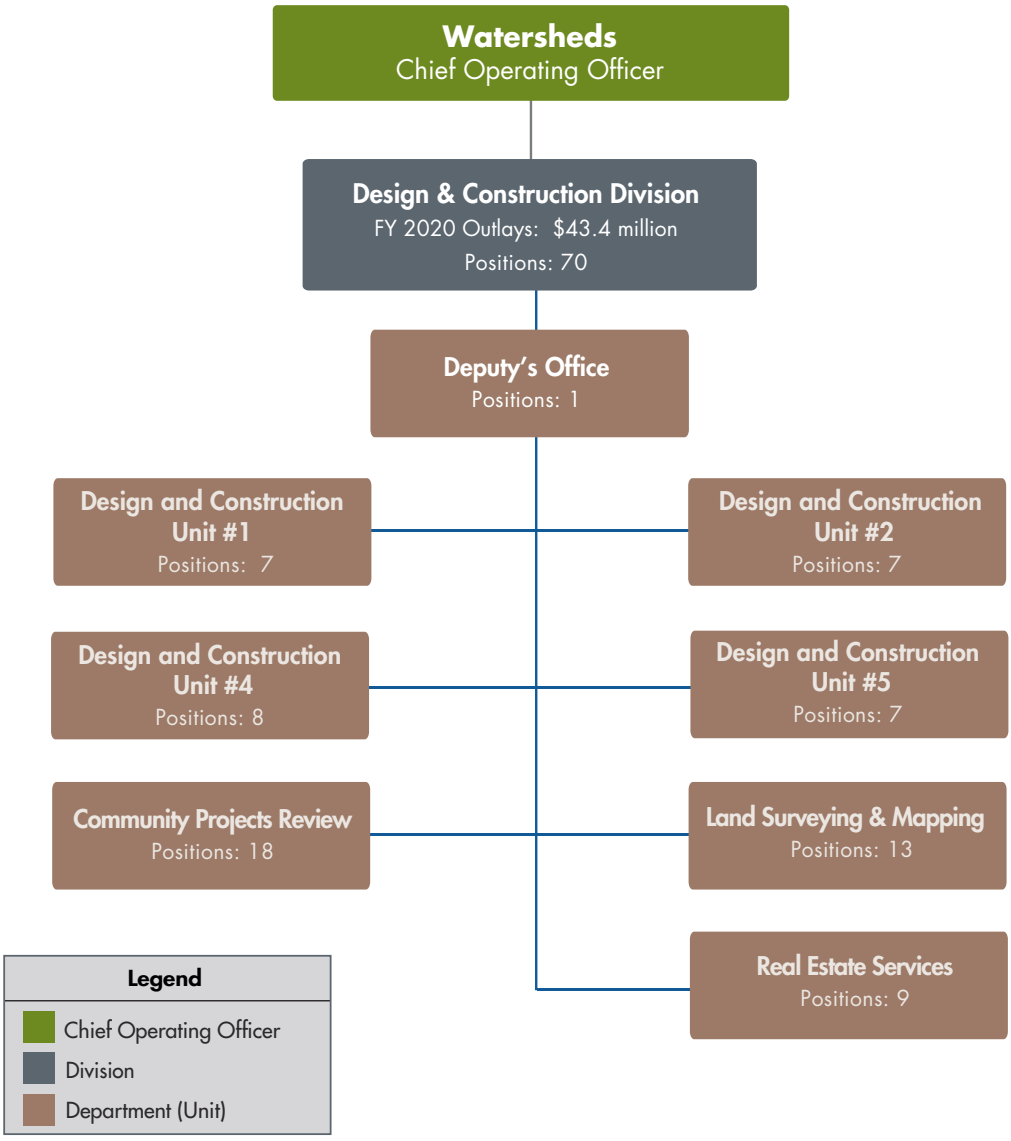
Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Office of WS Stwdship &Planning Div					
	Salaries & Benefits	569,018	451,688	759,632	307,944
	Services & Supplies	96,775	463,770	31,970	(431,800)
	Intra District Charges	389,978	277,654	421,872	144,218
Office of WS Stwdship &Planning Div (241) Total		**1,055,771**	**1,193,113**	**1,213,474**	**20,362**
Environmental Mitigation & Monitoring					
	Salaries & Benefits	2,028,851	2,655,225	2,853,406	198,182
	Services & Supplies	1,639,596	3,178,750	3,834,350	655,600
	Intra District Charges	1,335,292	1,704,072	1,567,548	(136,525)
Environmental Mitigation & Monitoring (244) Total		**5,003,739**	**7,538,047**	**8,255,304**	**717,257**
Water Resources Planning & Policy					
	Salaries & Benefits	1,226,667	1,156,777	937,115	(219,661)
	Services & Supplies	337,148	1,038,600	861,000	(177,600)
	Intra District Charges	767,575	745,368	529,253	(216,114)
	Capital Expenditures	0	0	150,000	150,000
Water Resources Planning & Policy (245) Total		**2,331,390**	**2,940,744**	**2,477,368**	**(463,376)**
Safe Clean Water Implementation					
Safe Clean Water Implementation (246) Total		**0**	**0**	**0**	**0**
Environmental Planning					
	Salaries & Benefits	1,143,629	1,488,125	1,626,475	138,350
	Services & Supplies	2,544,016	2,471,430	2,708,774	237,344
	Intra District Charges	734,888	940,946	908,399	(32,546)
	Capital Expenditures	5,754	25,000	25,000	0
Environmental Planning (247) Total		**4,428,287**	**4,925,500**	**5,268,648**	**343,148**
Hydrology, Hydraulics & Geomorphology					
	Salaries & Benefits	2,044,609	1,976,800	2,168,657	191,857
	Services & Supplies	699,463	728,152	1,003,186	275,034
	Intra District Charges	1,332,515	1,286,183	1,232,666	(53,518)
	Capital Expenditures	80,812	38,500	28,765	(9,735)
Hydrology, Hydraulics & Geomorphology (296) Total		**4,157,399**	**4,029,636**	**4,433,273**	**403,638**
Water Resources Planning					
	Salaries & Benefits	982,375	942,272	727,530	(214,743)
	Services & Supplies	318,530	1,235,200	1,206,500	(28,700)
	Intra District Charges	617,251	608,413	422,305	(186,107)
Water Resources Planning (412) Total		**1,918,156**	**2,785,885**	**2,356,335**	**(429,550)**
Operations Total*		**18,894,742**	**23,412,925**	**24,004,403**	**591,479**

Capital Budget by Department and Account Category

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Office of WS Stwdship &Planning Div					
	Services & Supplies	84,394	0	0	0
	Capital Expenditures	4,500	0	0	0
Office of WS Stwdship &Planning Div (241) Total		**88,894**	**0**	**0**	**0**
Environmental Mitigation & Monitoring					
	Salaries & Benefits	588,855	652,634	564,406	(88,228)
	Services & Supplies	37,099	220,030	(131,537)	(351,567)
	Intra District Charges	387,455	421,114	315,874	(105,240)
Environmental Mitigation & Monitoring (244) Total		**1,013,410**	**1,293,779**	**748,743**	**(545,036)**
Water Resources Planning & Policy					
	Salaries & Benefits	727,651	932,009	792,480	(139,529)
	Services & Supplies	225,645	2,340,000	(3,302)	(2,343,302)
	Intra District Charges	475,791	604,950	449,312	(155,638)
Water Resources Planning & Policy (245) Total		**1,429,087**	**3,876,959**	**1,238,490**	**(2,638,469)**
Safe Clean Water Implementation					
Safe Clean Water Implementation (246) Total		**0**	**0**	**0**	**0**
Environmental Planning					
	Salaries & Benefits	581,713	630,358	940,854	310,495
	Services & Supplies	1,112	10,000	0	(10,000)
	Intra District Charges	384,650	409,490	526,414	116,924
Environmental Planning (247) Total		**967,475**	**1,049,848**	**1,467,268**	**417,420**
Hydrology, Hydraulics & Geomorphology					
	Salaries & Benefits	72,569	86,369	266,889	180,520
	Services & Supplies	1,099	0	120,000	120,000
	Capital Expenditures	2,941	20,000	0	(20,000)
	Intra District Charges	46,728	47,248	155,560	108,312
Hydrology, Hydraulics & Geomorphology (296) Total		**123,337**	**153,617**	**542,449**	**388,832**
Water Resources Planning					
	Salaries & Benefits	611,990	686,048	571,443	(114,604)
	Services & Supplies	13,814	47,000	0	(47,000)
	Intra District Charges	371,482	413,784	337,567	(76,217)
Water Resources Planning (412) Total		**997,286**	**1,146,832**	**909,011**	**(237,821)**
Capital Total*		**4,619,489**	**7,521,034**	**4,905,960**	**(2,615,074)**
Division Total*		**23,514,231**	**30,933,959**	**28,910,363**	**(2,023,596)**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Watershed Design & Construction Division



Division Description and Objectives

The Watersheds Design and Construction Division plans, designs, and constructs capital projects related to Watersheds operations. This includes delivery of projects in Valley Water's rolling 5-year Capital Improvement Program and 15-year Safe, Clean Water and Natural Flood Protection Program. The objectives of the Watersheds Design and Construction Division are to provide natural flood protection for residents, businesses, and visitors; and to protect and restore creek, bay, and other aquatic ecosystems.

Community Projects Review

The Community Projects Review Department provides for protection of Valley Water watershed, water utility assets and interests from external activities and threats as defined by the Water Resources Protection Ordinance through the review of approximately 800 projects and issuance of approximately 200 encroachment permits for activities on Valley Water rights of way and ordinance enforcement for activities undertaken without appropriate permits. The department projects include implementation of the Underground Service Alert program that entails reviewing approximately 9000 tickets per year. The department also reviews proposed developments within the planning stages as they interface with Valley Water mission and interests. The department also includes specialized maintenance and development of approximately 10,000 map pages showing Valley Water land rights and flooding and the dissemination of information to the public.

Design & Construction Unit #1

The department is responsible for design and construction of the following projects: San Francisquito Creek Flood Protection Project, Permanente Creek Flood Protection Project, Hale Creek Pilot Project, and Bolsa Fish Passage Modification Project.

Design & Construction Unit #2

The department is responsible for design and construction of the following projects: 1) Lower Berryessa Creek Phase II; 2) Cunningham Flood Detention Certification Project; 3) Upper Guadalupe River Flood Protection - Reaches 7-12; 4) Upper Guadalupe River Reach 6; 5) Upper Berryessa Creek - Calaveras / Old Pied Cor; 6) Upper Berryessa Ck - Calaveras/Old Pied LER.

Design & Construction Unit #4

Design and Construction Unit #4 (Unit 334) is responsible for design and construction of the following projects: Lower Penitencia Creek and Almaden Lake Improvements Projects as well as the South San Francico Bay Shoreline Protection effort along the Santa Clara County shoreline.

Design & Construction Unit #5

Design and Construction Unit #5 (Unit 336) will continue to implement the WARP projects plus PA Basin Tide Gate Structure Project. Plus, we mange monitoring Projects for Lower Berry Phase, Canoas Creek and others. We plan to complete design and start construction for 1) Calabazas Creek 10 banks Repair project, 2) San Thomas Creek concrete bed rehabilitation for 2 miles, .3) Lower Pen from Able St to Great America Parkway bank erosion repair project, and 4) Barren Creek bed repair at Bryant Street.

We plan to complete CEQA docs, final design, plans and spec for the PA Basin Tide Gate Structure after obtaining permits. A new additional resource, Assistant Engineer I/II is requested (unfunded request) to assist the Associate Engineer for PA Basin Tide Gate Structure Project. Other project from the WARP list (30 projects list) by November/ December of 2018 for planning, design and construction for FY20 and FY21.

Land Surveying & Mapping

The responsibilities of the Land Surveying and Mapping Department include professional land surveying and mapping services in support of planning, design, construction, and maintenance of Valley Water water resource facilities. This is accomplished by accurately locating existing and proposed Valley Water facilities, providing graphical representations of land features, boundaries, and fixed works, and complying with applicable state and local laws and ordinances.

Real Estate Services

The Real Estate Department provides real estate services which includes buying and selling property, database maintenance and reporting, non-residential and residential leasing and licensing program, negotiation, appraisal, title and relocation services. The department also covers administrative support of Real Estate services which include database input, maintenance and reporting.

FY 2019 Accomplishments

- Completion of Alviso Pump Station License Agreement and Sonterra Bridge Maintenance Agreement
- Completed Permanente Creek Channel Improvement construction and McKelvey Detention Basin construction.
- Completed Bolsa Fish Passage Modification Project design and advertised the Bolsa Fish Passage Modification Project construction.
- Completed construction of San Francisquito Creek Flood Protection Project between S.F. Bay to Highway 101.
- Completed 96% of civil work for Lower Berryessa Creek - levee repair work will be completed by the end of 2019.
- Completed final design for Lower Calera Creek Project
- Completed construction of Upper Berryessa Creek Project
- Completed Cunningham Flood Detention construction.
- Completed Admin Draft EIR and 30% design for Almaden Lake Improvements.
- Completed 90% design and received draft CDFWS permit for Lower Penitencia Creek Improvements.
- SF Shoreline EIAs 1-10: 1) Collaborated with Resilient by Design; 2) Collaborated with SBSPRP Phase 2 Construction for EIAs 4 & 5 (Mountain View area) and EIA 10 (Pond A8) 3) Provided cost contribution to BRRIT (Bay Restoration Regulatory Integration Team); and 4) Prepare materials for EIAs 1-10 USACE Charrette.
- SF Shoreline EIA 11: 1) USACE received $177.2 M from Federal Disaster Supplemental funds; 2) Completed Reach 1: 95% design review and awarded a Levee Soil Contract.
- Completed Permanent repair of Stevens Creek bank erosion d/s of El Camino Real following the Emergency Project; 2) Coyote Creek d/s of 237 Rodent damage repair; 3) Coyote Creek d/s of 237 Rodent damage repair; 4) San Tomas Creek 1500 feet of bed repair and Matadero bank repair plus 2000 feet of sediment removal; and 5) Uvas Creek levee outboard damage repair for a mile long from Miller to end of levee the d/s.
- Managed 74 non-residential leases and licenses County wide. A public auction was conducted to sell an excess parcel with a residential house at 110 Sunset Avenue, San Jose.

FY 2020 Milestones

- Complete High Speed Rail Reimbursement Agreement.

- Complete construction of the Bolsa Fish Passage Modification Project.
- Prepare Final EIR for San Francisquito Creek Flood Protection Project between Highway 101 and Middlefield Road and obtain regulatory permits.
- Begin construction of the San Francisquito Creek Flood Protection Project between Highway 101 and Middlefield Road.
- Begin construction of the Hale Creek Pilot Project Complete construction of Lower Berryessa Creek phase 2.
- Complete the Lower Calera Creek design phase and award the construction contract.
- Complete gravel placement construction for Upper Guadalupe River Reach 6.
- Begin construction of SF Shoreline EIA 11 Reach 1.
- Begin feasibility study of SF Shoreline EIAs 1-10.
- Begin construction of Lower Penitencia Creek Flood Protection.
- Complete Final EIR and 90% design for Almaden Lake Improvements.
- Complete construction of McKelvey Park Flood Detention Basin and Rancho San Antonio Park Flood Detention Basin.
- Complete construction of Uvas Creek Levee Rehabilitation Phase 2 and San Tomas Aquino Creek Erosion Repair.
- Manage 74 non-residential leases and licenses County wide.

Budget Issues and Constraints

None

Watershed Design & Construction Division — Budget Summary

Project Type (Category)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Operations	7,423,353	9,043,908	9,243,272	199,364	2%
Operating	2,802,826	74,030	178,096	104,067	141%
Capital	71,601,925	89,586,773	33,983,526	(55,603,248)	-62%
Total *	**81,828,105**	**98,704,711**	**43,404,894**	**(55,299,817)**	**-56%**

Department (Unit)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Design & Construction Unit 1	25,043,731	11,246,652	5,695,400	(5,551,251)	-49%
Design & Construction Unit 5	9,811,189	11,542,236	11,217,531	(324,705)	-3%
Design & Construction Unit 2	31,576,162	45,819,252	(958,637)	(46,777,889)	-102%
Community Projects Review	4,309,258	5,409,936	5,572,103	162,167	3%
Office of WS Design & Const Div	2,511,375	3,321,138	1,539,152	(1,781,986)	-54%
Design & Construction Unit 4	2,293,675	14,144,048	13,487,565	(656,483)	-5%
Land Surveying and Mapping	3,585,612	4,484,460	4,113,989	(370,472)	-8%
Real Estate Services	2,697,103	2,736,989	2,737,791	802	0%
Total *	**81,828,105**	**98,704,711**	**43,404,894**	**(55,299,817)**	**-56%**

* Totals includes intra-district reimbursement charges.

Authorized Positions (excluding fellowships)

Watershed Design & Construction Division	**74**	**74**	**70**	**(4)** **

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

Operations Budget by Department and Account Category

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Community Projects Review					
	Salaries & Benefits	2,579,041	3,075,544	3,462,948	387,405
	Services & Supplies	98,943	178,010	117,660	(60,350)
	Capital Expenditures	0	40,000	35,000	(5,000)
	Intra District Charges	1,622,371	1,934,273	1,873,898	(60,375)
Community Projects Review (294) Total		**4,300,355**	**5,227,826**	**5,489,506**	**261,680**
Office of WS Design & Const Div					
	Salaries & Benefits	376,096	207,105	0	(207,105)
	Services & Supplies	170,706	35,000	0	(35,000)
	Intra District Charges	243,480	136,004	0	(136,004)
Office of WS Design & Const Div (316) Total		**790,281**	**378,109**	**0**	**(378,109)**
Design & Construction Unit 1					
	Salaries & Benefits	14,081	8,617	19,480	10,863
	Services & Supplies	1,020	0	0	0
	Intra District Charges	5,528	518	6,257	5,739
Design & Construction Unit 1 (331) Total		**20,628**	**9,135**	**25,736**	**16,602**
Design & Construction Unit 2					
	Salaries & Benefits	28,497	3,968	1,272	(2,696)
	Services & Supplies	1,705	0	0	0
	Intra District Charges	15,015	519	170	(349)
Design & Construction Unit 2 (332) Total		**45,217**	**4,487**	**1,442**	**(3,045)**
Design & Construction Unit 4					
	Salaries & Benefits	49,847	31,154	26,059	(5,095)
	Services & Supplies	1,140	0	0	0
	Intra District Charges	14,129	13,961	10,643	(3,318)
Design & Construction Unit 4 (334) Total		**65,115**	**45,115**	**36,702**	**(8,413)**
Design & Construction Unit 5					
	Salaries & Benefits	304,572	94,182	6,726	(87,456)
	Services & Supplies	876,599	0	0	0
	Capital Expenditures	1,221,330	0	0	0
	Intra District Charges	187,511	51,628	901	(50,728)
Design & Construction Unit 5 (336) Total		**2,590,012**	**145,810**	**7,627**	**(138,183)**
Land Surveying and Mapping					
	Salaries & Benefits	829,958	1,144,583	1,417,651	273,067
	Services & Supplies	80,855	365,000	63,500	(301,500)

Operations Budget by Department and Account Category (Continued)

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
	Intra District Charges	537,773	784,780	846,895	62,115
Land Surveying and Mapping (367) Total		**1,448,586**	**2,294,363**	**2,328,045**	**33,682**
Real Estate Services					
	Salaries & Benefits	576,067	589,542	953,490	363,948
	Services & Supplies	42,047	40,400	40,400	0
	Capital Expenditures	450	15,000	15,000	0
	Intra District Charges	347,421	368,150	523,420	155,270
Real Estate Services (369) Total		**965,985**	**1,013,092**	**1,532,309**	**519,217**
Operations Total*		**10,226,179**	**9,117,937**	**9,421,368**	**303,431**

Capital Budget by Department and Account Category

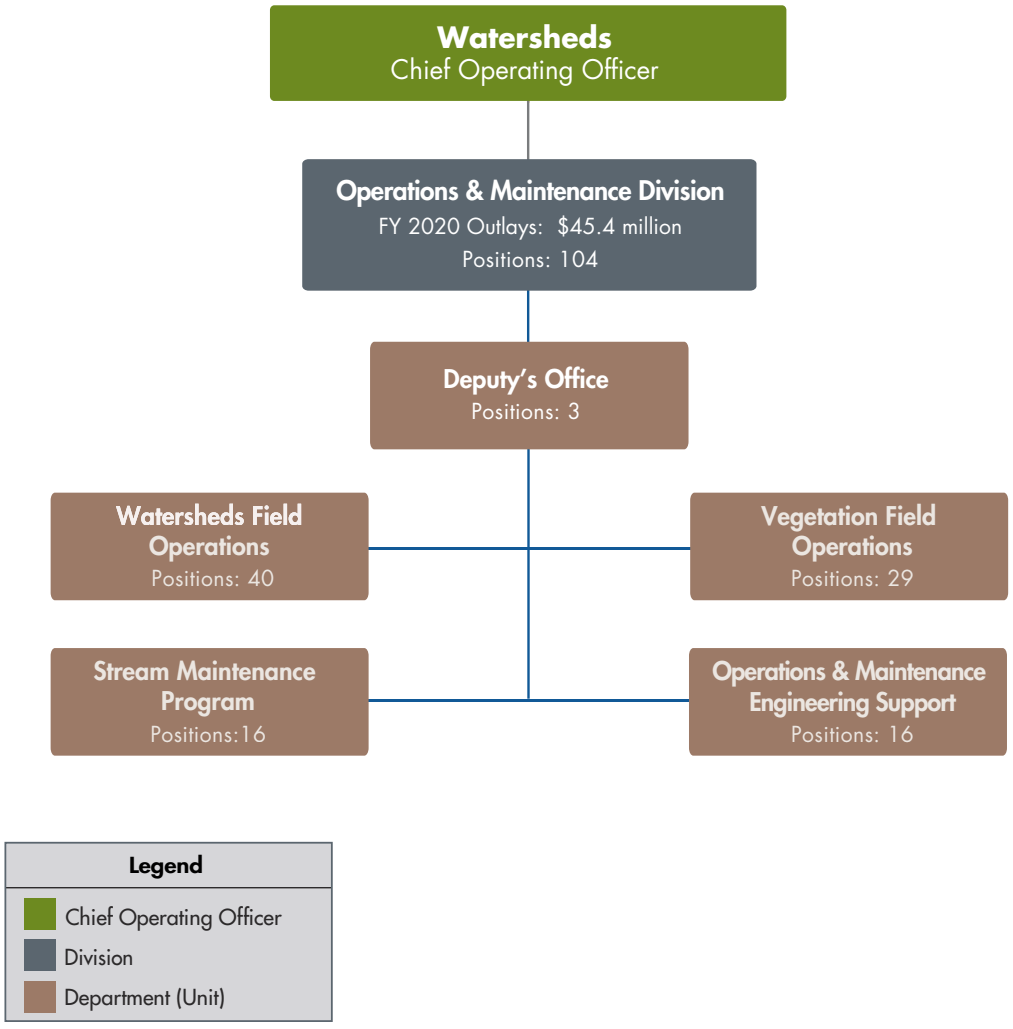
Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Community Projects Review					
	Salaries & Benefits	5,410	35,637	55,899	20,262
	Services & Supplies	0	124,000	0	(124,000)
	Intra District Charges	3,493	22,472	26,698	4,226
Community Projects Review (294) Total		**8,903**	**182,109**	**82,597**	**(99,512)**
Office of WS Design & Const Div					
	Salaries & Benefits	850,966	1,254,786	341,192	(913,594)
	Services & Supplies	227,700	857,300	1,005,650	148,350
	Intra District Charges	557,871	830,943	192,310	(638,633)
	Capital Expenditures	84,558	0	0	0
Office of WS Design & Const Div (316) Total		**1,721,094**	**2,943,029**	**1,539,152**	**(1,403,877)**
Design & Construction Unit 1					
	Salaries & Benefits	1,264,679	1,382,955	1,393,870	10,914
	Services & Supplies	(10,093,633)	1,647,800	(6,224,565)	(7,872,365)
	Intra District Charges	844,570	892,762	782,359	(110,403)
	Capital Expenditures	33,007,488	7,314,000	9,718,000	2,404,000
Design & Construction Unit 1 (331) Total		**25,023,103**	**11,237,517**	**5,669,664**	**(5,567,853)**
Design & Construction Unit 2					
	Salaries & Benefits	1,331,741	1,441,372	1,465,276	23,904
	Services & Supplies	1,944,912	20,039,800	(5,576,797)	(25,616,597)
	Intra District Charges	876,884	879,593	805,942	(73,651)

Capital Budget by Department and Account Category (Continued)

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
	Capital Expenditures	27,377,408	23,454,000	2,345,500	(21,108,500)
Design & Construction Unit 2 (332) Total		**31,530,945**	**45,814,765**	**(960,079)**	**(46,774,844)**
Design & Construction Unit 4					
	Salaries & Benefits	1,291,592	1,525,073	1,547,723	22,650
	Services & Supplies	57,026	6,538,330	3,022,385	(3,515,945)
	Intra District Charges	870,942	975,529	865,755	(109,774)
	Capital Expenditures	9,000	5,060,000	8,015,000	2,955,000
Design & Construction Unit 4 (334) Total		**2,228,559**	**14,098,933**	**13,450,863**	**(648,069)**
Design & Construction Unit 5					
	Salaries & Benefits	1,021,345	1,358,648	1,529,221	170,574
	Services & Supplies	1,331,724	2,467,000	(2,064,613)	(4,531,613)
	Intra District Charges	667,644	870,778	845,296	(25,482)
	Capital Expenditures	4,200,463	6,700,000	10,900,000	4,200,000
Design & Construction Unit 5 (336) Total		**7,221,177**	**11,396,426**	**11,209,904**	**(186,522)**
Land Surveying and Mapping					
	Salaries & Benefits	1,125,119	1,087,755	871,622	(216,133)
	Services & Supplies	258,053	374,800	392,300	17,500
	Intra District Charges	753,854	727,542	522,021	(205,521)
Land Surveying and Mapping (367) Total		**2,137,026**	**2,190,097**	**1,785,943**	**(404,154)**
Real Estate Services					
	Salaries & Benefits	1,054,646	1,053,102	755,836	(297,265)
	Services & Supplies	19,021	24,260	27,425	3,165
	Intra District Charges	657,450	646,536	417,720	(228,816)
	Capital Expenditures	0	0	4,500	4,500
Real Estate Services (369) Total		**1,731,118**	**1,723,897**	**1,205,482**	**(518,416)**
Capital Total*		**71,601,925**	**89,586,773**	**33,983,526**	**(55,603,248)**
Division Total*		**81,828,105**	**98,704,711**	**43,404,894**	**(55,299,817)**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Watershed Operations & Maintenance Division



Division Description and Objectives

The division is comprised of four departments that provide field maintenance, engineering support, vegetation management, and management of the Stream Maintenance Program (SMP) in the Guadalupe, Lower Peninsula, West Valley, Coyote and Uvas/Llagas watersheds. The office of Watersheds Operations and Maintenance provides administrative leadership and support for the four units that comprise the division. The division objective is to assure that maintenance work is performed in accordance with regulatory permits and maintenance guidelines and is coordinated and consistent throughout the division.

Watershed Field Operations

The Watershed Field Operations Department is responsible for coordination and management of field construction and maintenance activities within the Watersheds and certain Water Utility facilities, budget development, coordination of emergency response services and monitoring of safety procedures. Assure that work is performed efficiently, effectively, with minimal environmental impact and with the highest regard for the safety of the public and staff.

Vegetation Field Operations

The Vegetation Field Operations Department is responsible for the budget development, coordination, and management of integrated vegetation management programs, riparian planting and invasive plant management mitigation projects, hazard tree program and the sandbag program in the Lower Peninsula, West Valley, Guadalupe, Coyote, and Uvas/Llagas Watersheds including capital projects and water utility sites.

Stream Maintenance Program

The Stream Maintenance Program (SMP) Department manages and coordinates routine maintenance activities to ensure that stream maintenance work is consistent with the environmental regulatory permits, in a manner that minimizes the environmental impact to the stream systems. This program supports the maintenance of streams to maintain the flow conveyance capacity of Valley Water channels and the structural and functional integrity of Valley Water facilities. This department also provides coordination and delivery of materials, equipment and labor (EML) services for Field Operations; and for validation and processing of related invoices and payments.

Operations & Maintenance Engineering Support

The Watersheds O&M Engineering Support Department is responsible for conducting creek and levee inspections, preparing work orders, and providing engineering support for operations and maintenance activities for streams, levees, and other watersheds assets within Santa Clara County over which Valley Water has responsibility. This work supports the flood protection and watershed stewardship components of Valley Water's mission.

FY 2019 Accomplishments

Watersheds Field Operations

- 16 Sediment Removal Projects (19,935 CY)
- 826 Linear Feet of Erosion repaired
- 406 Cubic Yards Good Neighbor Maintenance
- 23,478 Linear Feet of Levee Maintenance
- 1,824 Cubic Yards Debris Removal

Vegetation Field Operations

- 331 Acres of mitigation site maintenance
- 3,476 Acres of upland access maintenance: weed abatement, access pruning, upland herbicide.
- 470 Acres of instream vegetation removal for flow conveyance: hand removal and aquatic herbicide.
- 110 Acres of invasive plant management.
- 230 6 - 12" DBH trees removed
- 81 Hazard trees removed
- 86,000 Sandbags made

Stream Maintenance Program

- Approximately 535 Biological Service requests for the Division.
- Submitted the Notice of Proposed Work (NPW).
- Completed the Annual Summary Report.
- Completed Stream Maintenance Program (SMP) Manual Update.

Operations and Maintenance Engineering Support

- Engineering support and construction oversight for the Stream Maintenance Program (SMP).
- Responded to Creekside customers and others via Access Valley Water within five days or less.
- Inspected Creeks and Levees for which Valley Water has ownership or maintenance responsibility.

FY 2020 Milestones

Watersheds Field Operations

- Complete annual SMP projects by 10/15
- Complete routine Watershed and Water Utility work order as requested.

Vegetation Field Operations

- Provide vegetation management for 6,120 acres along levee and maintenance roads through 2028.
- Complete a minimum of 2,900 acres of upland and in-stream vegetation management in all watersheds annually.
- Management of at least 300 acres of existing revegetation projects in all watersheds annually.
- 100% of pesticide products used in lowest toxicity category.
- 40,000 filled sandbags stocked by Nov. 30th annually.

Stream Maintenance Program

- Submit regulatory required reports in a timely manner, conduct internal, training, participate in Multi-agency meetings, and administer and renew the multi-agency permits.
- Development and update of contracts specifications and terms and conditions to insure contracts for subsequent fiscal year are in place on time for Watersheds Field Operation's needs.SMP – Receive regulatory permits for remaining 5 years of SMP
- Complete CEQA & Obtain permits for hazardous tee removals

- Submit application for Incidental Take Permit

Operations and Maintenance Engineering Support

- U.S. Army Corps of Engineers (USACE)-constructed reaches of Guadalupe River, Coyote Creek, and Uvas Creek: (a) Conduct semi-annual inspections by November 1 and May 30; (b) Prepare and submit annual inspection reports to USACE by August 1.
- Natural Resources Conservation Service (NRCS)-constructed reaches of Lower Llagas Creek Flood Protection Project (PL-566): (a) Conduct annual inspections; (b) Prepare and submit annual inspection reports to NRCS.
- Conduct inspections of creeks and levees (ongoing).
- Research and respond to customer requests via Access Valley Water (AVW) communications system (ongoing).
- Prepare work orders for corrective and preventive stream maintenance activities (ongoing).
- Engineering support for Stream Maintenance Program (SMP) projects: (a) Prepare necessary information to ensure SMP annual Notice of Proposed Work occurs by April 15; (b) (b) Provide engineering and construction support for SMP bank protection, sediment removal, vegetation management, and levee maintenance projects (generally between June 15 and October 15); (c) Prepare necessary information to ensure SMP Annual Summary Report occurs by January 31.
- Update/develop fifteen stream maintenance guidelines by June 30.

Budget Issues and Constraints

- Limited funding for Encampment Cleanups.
- The extent of maintenance work completed annually is constrained by staff resources, funding and regulatory permit requirements.

Watershed Operations & Maintenance Division — Budget Summary

Project Type (Category)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Operations	36,393,972	38,471,048	42,298,009	3,826,961	10%
Operating	1,113,019	2,757,591	1,680,883	(1,076,708)	-39%
Capital	986,740	1,176,132	1,411,398	235,266	20%
Total *	**38,493,731**	**42,404,772**	**45,390,290**	**2,985,518**	**7%**

Department (Unit)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Vegetation Field Operations	11,591,448	11,832,206	13,056,265	1,224,060	10%
Watersheds Field Operations	17,392,836	19,397,781	18,189,169	(1,208,612)	-6%
Stream Maintenance Program	3,644,225	3,885,649	7,304,650	3,419,001	88%
O&M Engineering Support	4,883,248	6,310,834	5,868,624	(442,210)	-7%
Ofc of Watershed O&M Division	981,974	978,302	971,581	(6,721)	-1%
Total *	**38,493,731**	**42,404,772**	**45,390,290**	**2,985,518**	**7%**

* Totals includes intra-district reimbursement charges.

Authorized Positions (excluding fellowships)

Watershed Operations & Maintenance Division	**92**	**93**	**104**	**11****

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

Operations Budget by Department and Account Category

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Ofc of Watershed O&M Division					
	Salaries & Benefits	605,521	609,546	635,471	25,925
	Services & Supplies	1,134	1,000	1,000	0
	Intra District Charges	375,319	367,756	335,110	(32,646)
Ofc of Watershed O&M Division (251) Total		**981,974**	**978,302**	**971,581**	**(6,721)**
Watersheds Field Operations					
	Salaries & Benefits	5,460,622	5,632,199	6,784,143	1,151,944
	Services & Supplies	6,700,207	8,216,729	5,693,497	(2,523,232)
	Intra District Charges	4,579,699	4,919,044	5,231,586	312,542
Watersheds Field Operations (253) Total		**16,740,528**	**18,767,972**	**17,709,226**	**(1,058,746)**
Vegetation Field Operations					
	Salaries & Benefits	4,150,754	4,596,849	4,850,277	253,429
	Services & Supplies	4,307,995	3,563,324	4,627,150	1,063,826
	Intra District Charges	3,036,190	3,432,610	3,256,208	(176,402)
Vegetation Field Operations (295) Total		**11,494,940**	**11,592,783**	**12,733,635**	**1,140,852**
Stream Maintenance Program					
	Salaries & Benefits	1,754,493	1,829,774	3,041,325	1,211,551
	Services & Supplies	621,061	770,750	2,168,300	1,397,550
	Intra District Charges	1,119,643	1,166,327	1,673,918	507,591
Stream Maintenance Program (297) Total		**3,495,197**	**3,766,852**	**6,883,543**	**3,116,691**
O&M Engineering Support					
	Salaries & Benefits	2,697,871	2,785,686	2,911,482	125,797
	Services & Supplies	399,289	1,559,000	1,168,000	(391,000)
	Intra District Charges	1,697,192	1,778,046	1,601,425	(176,621)
O&M Engineering Support (298) Total		**4,794,352**	**6,122,732**	**5,680,907**	**(441,824)**
Operations Total*		**37,506,991**	**41,228,640**	**43,978,892**	**2,750,252**

Capital Budget by Department and Account Category

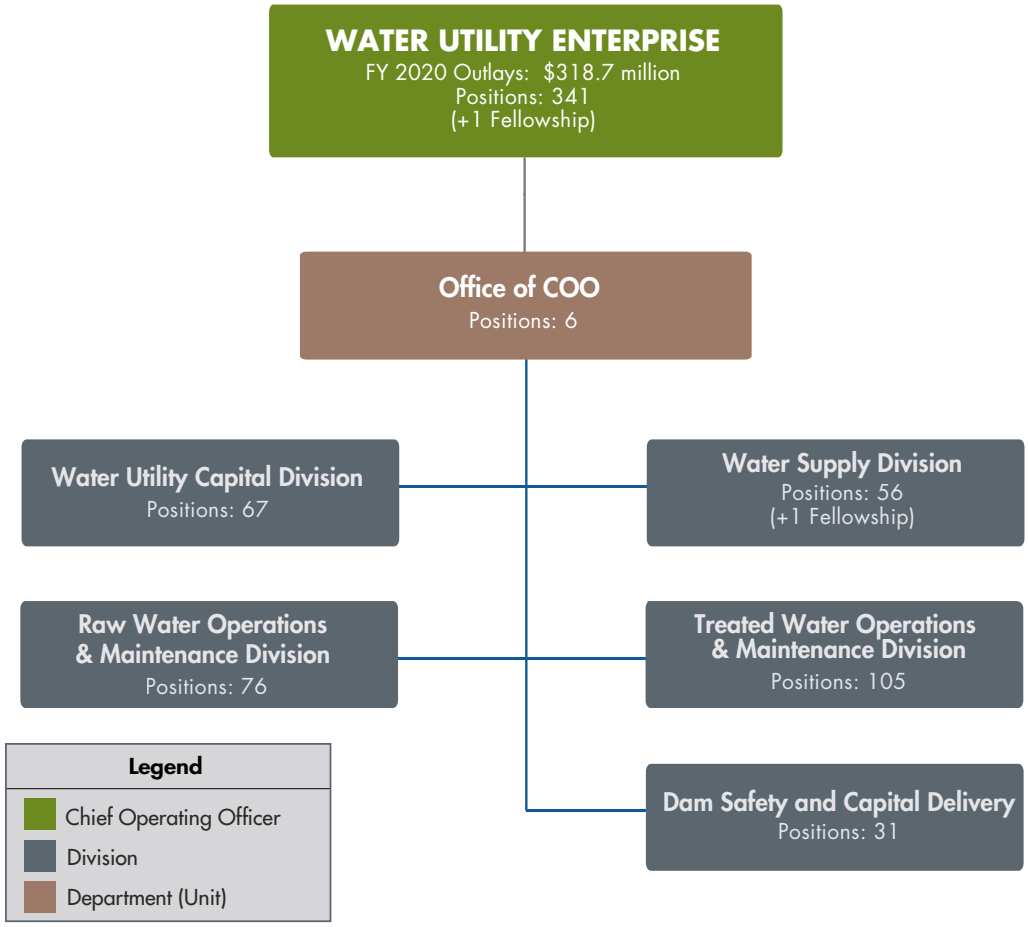
Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Ofc of Watershed O&M Division					
Ofc of Watershed O&M Division (251) Total		**0**	**0**	**0**	**0**
Watersheds Field Operations					
	Salaries & Benefits	216,263	314,461	186,497	(127,964)

Capital Budget by Department and Account Category (Continued)

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
	Intra District Charges	192,844	285,349	163,447	(121,902)
	Services & Supplies	243,201	30,000	130,000	100,000
Watersheds Field Operations (253) Total		**652,308**	**629,810**	**479,944**	**(149,866)**
Vegetation Field Operations					
	Salaries & Benefits	46,655	134,634	190,114	55,480
	Intra District Charges	34,354	98,789	127,516	28,727
	Services & Supplies	15,499	6,000	5,000	(1,000)
Vegetation Field Operations (295) Total		**96,508**	**239,423**	**322,630**	**83,207**
Stream Maintenance Program					
	Salaries & Benefits	8,250	35,682	209,772	174,090
	Intra District Charges	4,778	23,116	117,336	94,220
	Services & Supplies	136,000	60,000	94,000	34,000
Stream Maintenance Program (297) Total		**149,028**	**118,798**	**421,108**	**302,310**
O&M Engineering Support					
	Salaries & Benefits	39,694	114,738	120,621	5,884
	Intra District Charges	25,190	73,364	67,095	(6,269)
	Services & Supplies	24,012	0	0	0
O&M Engineering Support (298) Total		**88,896**	**188,102**	**187,716**	**(386)**
Capital Total*		**986,740**	**1,176,132**	**1,411,398**	**235,266**
Division Total*		**38,493,731**	**42,404,772**	**45,390,290**	**2,985,518**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Water Utility

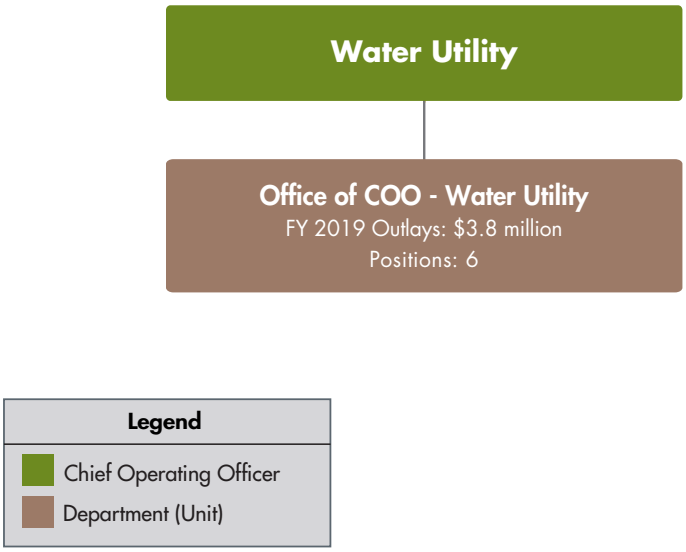


Description

The Water Utility Enterprise is primarily responsible for carrying out the core services related to Ends Policy 2 - There is a reliable, clean water supply for current and future generations.

Directed by Chief Operating Officer, Valley Water's Water Utility Enterprise (WUE) is comprised of five management divisions, each of which includes functional departments that carry out the work of the division and the enterprise.

Office of COO Water Utility



The Office of the Chief Operating Officer Water Utility oversees Water Utility Capital, Water Supply, Raw Water Operations & Maintenance and Treated Water Operations & Maintenance divisions. The Water Utility Enterprise (WUE) is primarily responsible for carrying out the core services related to Ends Policy 2 - There is a reliable, clean water supply for current and future generations. The COO leads and manages the WUE to achieve the Board's Ends Goals and Objectives. This includes providing WUE the leadership, staff, and funding to conduct the administrative nature of the WUE functions. In general, the COO Office provides for management activities that promote communication, human resources development, budgeting, project efficiencies and process improvement, mentoring and recruitment, and supporting district-wide and special events/efforts that benefit the whole organization.

Office of COO Water Utility — Budget Summary

Project Type (Category)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Operations	2,145,093	2,996,484	2,803,293	(193,191)	-6%
Operating	0	0	0	0	-6%
Capital	0	0	972,917	972,917	-6%
Total *	**2,145,093**	**2,996,484**	**3,776,210**	**779,726**	**26%**

Department (Unit)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Office of COO Water Utility	2,145,093	2,996,484	3,776,210	779,726	26%
Total *	**2,145,093**	**2,996,484**	**3,776,210**	**779,726**	**26%**

* Totals includes intra-district reimbursement charges.

Authorized Positions (excluding fellowships)

Office of COO Water Utility	**5**	**6**	**6**	**0****

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

Operations Budget by Department and Account Category

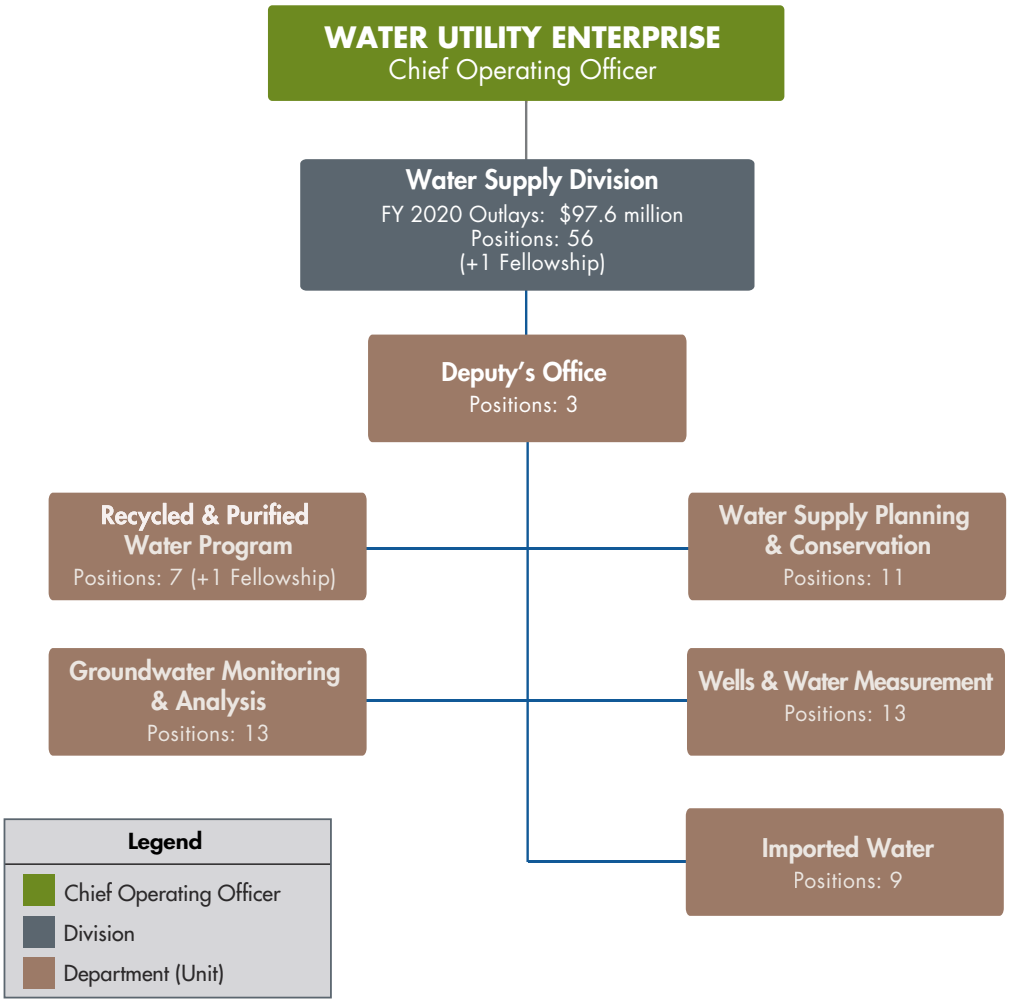
Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Office of COO Water Utility					
	Salaries & Benefits	999,598	1,480,959	1,354,118	(126,841)
	Services & Supplies	581,809	619,500	732,000	112,500
	Intra District Charges	563,686	896,025	717,175	(178,850)
Office of COO Water Utility (402) Total		**2,145,093**	**2,996,484**	**2,803,293**	**(193,191)**
Operations Total*		**2,145,093**	**2,996,484**	**2,803,293**	**(193,191)**

Capital Budget by Department and Account Category

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Office of COO Water Utility					
	Salaries & Benefits	0	0	137,074	137,074
	Services & Supplies	0	0	760,000	760,000
	Intra District Charges	0	0	75,843	75,843
Office of COO Water Utility (402) Total		**0**	**0**	**972,917**	**972,917**
Capital Total*		**0**	**0**	**972,917**	**972,917**
Division Total*		**2,145,093**	**2,996,484**	**3,776,210**	**779,726**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Water Supply Division



Division Description and Objectives

The Water Supply Division is responsible for identifying future water supply needs, managing the groundwater basins and imported water supplies, and implementing water conservation and recycled water programs. The objectives of the Water Supply Division are to 1) Sustain future drought proof, reliable water supply, 2) Expand and develop recycled and purified water projects, 3) Manage annual imported water supplies, 4) Minimize imported water costs, 5) Participate and complete various water supply reliability planning studies, 6) Implement programs and provide support needed to maximize water conservation/demand management to reach Valley Water's goal of saving nearly 100,000 acre-feet per year by 2030 and any short-term reduction called for by the Board, 7) Provide accurate and timely information on current and future groundwater supply conditions, 8) Comply with state sustainable groundwater management requirements, 9) Protect the quality and quantity of the county's groundwater resources by ensuring that wells are constructed, destroyed, modified and maintained per policy, 10) Provide

accurate and dependable water measuring devices for verifying water production for groundwater, surface water, treated water and recycled water accounts.

Recycled and Purified Water Program

The Recycled and Purified Water Program supports Valley Water's mission through expansion and development of recycled and purified water in Santa Clara County. This is achieved by collaborating, negotiating and executing long-term agreements with various partners, and by leading various planning and research studies such as the Reverse Osmosis Concentrate Management Plan; the Countywide Recycled and Purified Water Master Plan; demonstration test plan for Water Reuse; and Bottling and Taste Testing of Purified Water.

Imported Water

The Imported Water Unit protects, manages and develops Valley Water's imported water assets, including the Central Valley Project, State Water Project, and other contract rights; meets current year operational needs for imported supplies; represents Valley Water in joint efforts to develop statewide and regional water supply projects; coordinates with water supply planning to evaluate and make recommendations regarding participation in water supply projects; develops water transfers, exchanges and banking agreements; and, manages imported water costs.

Water Supply Planning and Conservation

The Water Supply Planning & Conservation Unit supports Valley Water's mission by developing long-term water supply plans for ensuring there is a reliable water supply, by participating in various regional water supply planning efforts, and by designing, implementing, and evaluating demand management programs to meet Valley Water's short-term and long-term water supply reliability goals.

Groundwater Monitoring & Analysis

The Groundwater Management Unit supports Valley Water's mission to protect and augment local groundwater resources by providing sound information on current and projected groundwater supply conditions, implementing sustainable groundwater management programs, complying with state groundwater sustainability requirements, and working to influence proposed projects, policies, and regulations affecting groundwater resources.

Wells and Water Measurement

The Wells and Water Measurement Unit is responsible for the implementation of two programs: The Well Ordinance Program and Water Measurement Program.

The Well Ordinance Program helps protect Valley Water's groundwater resource by providing staff, services, and supplies used for the implementation of Valley Water's Well Ordinance (Ordinance 90-1). Implementation of the well ordinance includes well permitting, well inspection, well data management, and violation enforcement for all wells located in Santa Clara County.

The Water Measurement Program provides staff time, services, and supplies for the operation of Valley Water's meter test facility, for meter reading, for meter installation, for the test and overhaul of meters, and for the preventative and corrective maintenance of approximately 1,000 groundwater, treated water, and raw water meters.

FY 2019 Accomplishments

- Initiated Countywide Water Reuse Master Plan Project, including stakeholder workshops.
- Began Reverse Osmosis Concentrate Management Project, including two workshops with cities and regulators.
- On July 24, 2018, the California Water Commission awarded Valley Water the full $484.55 million requested for the Pacheco Reservoir Expansion Project and $24.2 million in early funding for planning purposes.
- Participation in discussions and the submittal of comments relating to the State Water Board's Phase 1 amendments for the Bay Delta Plan.
- Secured Board approval and executed the Gap Funding Agreement for preconstruction planning costs for the California WaterFix, with a contribution of approximately $1.1 million.
- Participated in the Sites Reservoir Phase 2 negotiations resulting in Board approval and execution of the Sites Reservoir Phase 2 Project Agreement.
- Coordinated the review and development of the Feasibility Study and Admin Draft Environmental Impact Report/Environmental Impact Statement for the San Luis Low Point Improvement Project.
- Submitted comments on the project description and provided a letter of support to the State Water Board related to the Voluntary Agreements under the Bay Delta Plan amendment process.
- Executed a cooperating agency Memorandum of Understanding with the U.S. Bureau of Reclamation for the Re-initiation of Consultation on Long Term Operations of the Central Valley Project. Submitted comments on Reclamation's First Admin Draft Environmental Impact Statement and U.S. Fish and Wildlife Service's Draft Effects Analysis of the Long-Term Operations.
- Long-term conservation program savings of approximately 77,000 acre-feet in CY18.
- Developing update to Valley Water's Water Supply Master Plan Board approval of process developed with stakeholders to regulate pumping under the Sustainable Groundwater Management Act, if needed.
- Compliance with state groundwater sustainability requirements for data and report submittal.
- Issued 850 well permits; completed 770 well inspections; issued 36 violation letters; completed 3,853 meter reads; completed 172 meter tests; completed 175 meter maintenance events; installed 5 new meters; completed 93 backflow prevention device tests; completed 13 backflow prevention device repairs.

FY 2020 Milestones

- Complete Draft Countywide Recycled & Purified Water Master Plan by Q2 2019.
- Complete report on Reverse Osmosis Concentrate management alternatives by Q4 2019.
- Identify potential sources of supplemental water by January 1, 2020 and provide timely support for the annual water supply planning process.
- Provide monthly updates to the Board and public on imported water management agreements through the Water Tracker.
- Provide rebates for the conversion of 500,000 square feet of turf by June 2020.
- Coordinate with water retailers and land use agencies on demand projections for the 2020 Urban Water Management Plan.
- Collect and analyze groundwater level, quality, and subsidence data and present related findings in the annual groundwater report.
- Collaborate with water retailers, land use and regulatory agencies, and basin stakeholders on groundwater management issues.

- 95% of well permit applications (approximately 1,600 annually) are processed within 10 working days.
- 100% of meters are read based on current set schedule.

Budget Issues and Constraints

Budget issues and constraints for the Division include: insufficient staff resources to achieve all proposed Division goals; complex and lengthy negotiations with external agencies that can cause unexpected delays; and, managing regulatory requirements while trying to meet compressed schedules.

Water Supply Division — Budget Summary

Project Type (Category)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Operations	84,741,058	84,078,647	86,910,802	2,832,155	3%
Operating	793,245	121,705	0	(121,705)	-100%
Capital	13,091,184	13,481,028	10,694,950	(2,786,078)	-21%
Total *	**98,625,487**	**97,681,380**	**97,605,753**	**(75,628)**	**0%**

Department (Unit)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Groundwater Management	4,391,184	4,505,790	4,492,384	(13,406)	0%
Deputy's Office of Water Supply Division	1,276,579	1,033,525	1,262,725	229,200	22%
Imported Water	72,137,907	71,478,138	72,670,808	1,192,671	2%
Water Supply Planning and Conservation	6,223,208	8,592,796	10,219,074	1,626,278	19%
Recycled and Purified Water Program	10,806,059	8,285,455	5,068,384	(3,217,070)	-39%
Wells and Water Measurement	3,790,548	3,785,677	3,892,377	106,700	3%
Total *	**98,625,487**	**97,681,380**	**97,605,753**	**(75,628)**	**0%**

* Totals includes intra-district reimbursement charges.

Authorized Positions (excluding fellowships)

Water Supply Division	**57**	**57**	**56**	**(1)****

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

Operations Budget by Department and Account Category

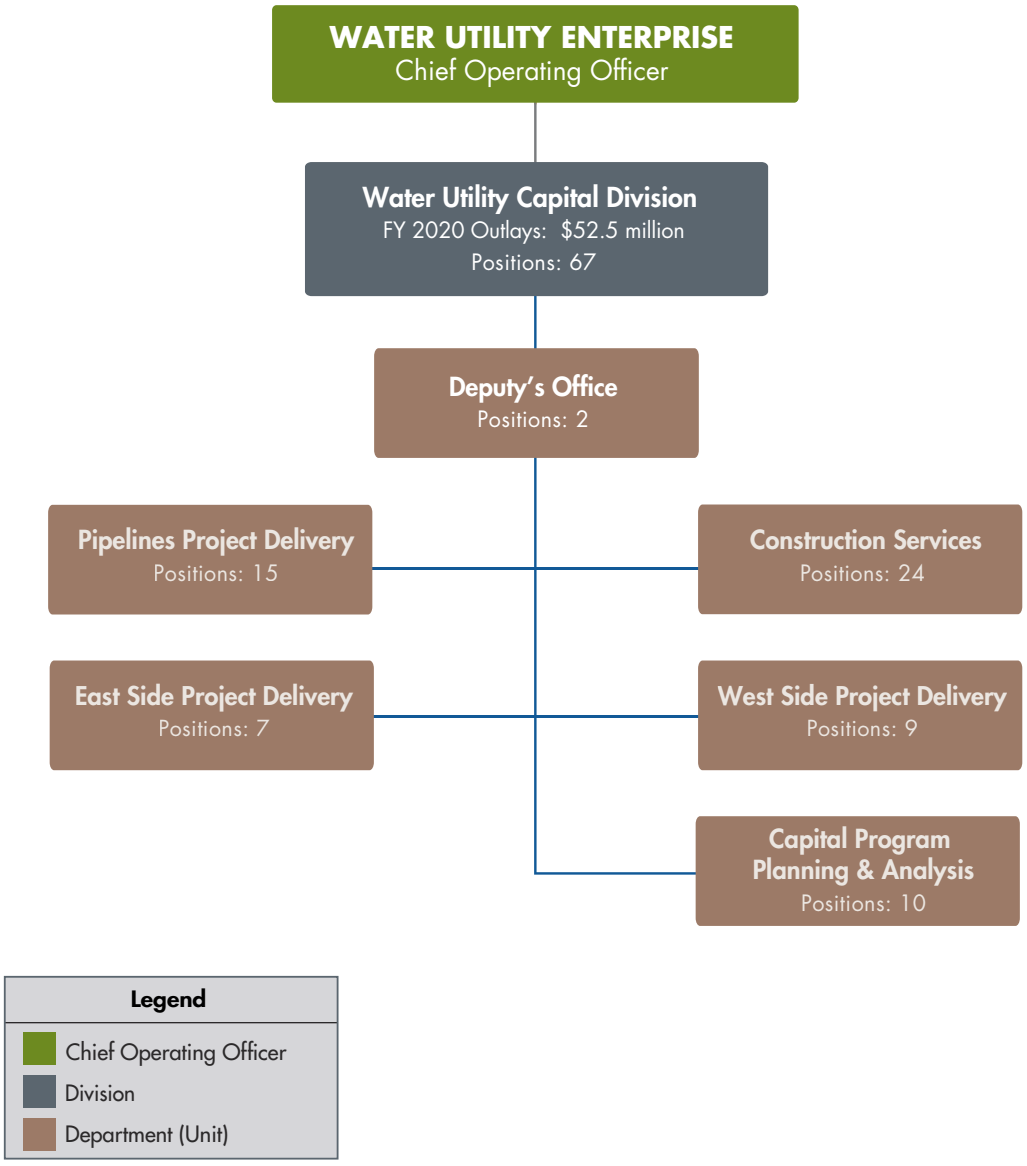
Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Recycled and Purified Water Program					
	Salaries & Benefits	1,598,168	1,695,740	1,600,588	(95,152)
	Services & Supplies	5,095,139	2,453,647	2,595,000	141,353
	Intra District Charges	1,036,817	1,078,659	874,263	(204,396)
Recycled and Purified Water Program (410) Total		**7,730,124**	**5,228,046**	**5,069,851**	**(158,195)**
Deputy's Office of Water Supply Division					
	Salaries & Benefits	788,277	657,391	799,927	142,536
	Services & Supplies	36,373	4,250	9,500	5,250
	Intra District Charges	451,929	371,885	428,172	56,287
Deputy's Office of Water Supply Division (415) Total		**1,276,579**	**1,033,525**	**1,237,599**	**204,073**
Imported Water					
	Salaries & Benefits	1,628,603	2,034,182	1,890,510	(143,672)
	Services & Supplies	59,766,061	58,061,769	59,243,964	1,182,195
	Intra District Charges	1,027,772	1,295,055	1,079,769	(215,286)
Imported Water (425) Total		**62,422,436**	**61,391,007**	**62,214,243**	**823,236**
Water Supply Planning and Conservation					
	Salaries & Benefits	1,975,323	2,057,312	2,202,189	144,877
	Services & Supplies	2,850,120	5,008,270	6,662,160	1,653,890
	Intra District Charges	1,242,927	1,323,032	1,222,214	(100,819)
Water Supply Planning and Conservation (445) Total		**6,068,370**	**8,388,614**	**10,086,563**	**1,697,949**
Groundwater Management					
	Salaries & Benefits	2,401,138	2,529,427	2,629,202	99,774
	Services & Supplies	296,750	220,950	336,400	115,450
	Intra District Charges	1,548,356	1,630,933	1,444,568	(186,365)
Groundwater Management (465) Total		**4,246,244**	**4,381,311**	**4,410,170**	**28,859**
Wells and Water Measurement					
	Salaries & Benefits	2,058,263	2,140,162	2,402,008	261,846
	Services & Supplies	333,579	217,700	91,520	(126,180)
	Intra District Charges	1,384,496	1,404,237	1,383,099	(21,138)
	Capital Expenditures	14,211	15,750	15,750	0
Wells and Water Measurement (475) Total		**3,790,548**	**3,777,849**	**3,892,377**	**114,527**
Operations Total*		**85,534,303**	**84,200,352**	**86,910,802**	**2,710,450**

Capital Budget by Department and Account Category

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Recycled and Purified Water Program					
	Salaries & Benefits	61,553	156,924	51,138	(105,786)
	Services & Supplies	2,974,749	2,800,000	(80,688)	(2,880,688)
	Intra District Charges	39,633	100,485	28,083	(72,402)
Recycled and Purified Water Program (410) Total		**3,075,935**	**3,057,409**	**(1,467)**	**(3,058,875)**
Deputy's Office of Water Supply Division					
	Salaries & Benefits	0	0	16,357	16,357
	Intra District Charges	0	0	8,770	8,770
Deputy's Office of Water Supply Division (415) Total		**0**	**0**	**25,127**	**25,127**
Imported Water					
	Salaries & Benefits	255	26,494	29,141	2,646
	Services & Supplies	9,715,169	10,056,930	10,410,713	353,783
	Intra District Charges	47	3,707	16,712	13,005
Imported Water (425) Total		**9,715,471**	**10,087,131**	**10,456,565**	**369,434**
Water Supply Planning and Conservation					
	Salaries & Benefits	94,367	123,801	85,107	(38,694)
	Intra District Charges	60,470	80,381	47,404	(32,977)
Water Supply Planning and Conservation (445) Total		**154,838**	**204,181**	**132,511**	**(71,671)**
Groundwater Management					
	Salaries & Benefits	87,476	75,099	52,715	(22,385)
	Intra District Charges	57,464	49,380	29,499	(19,880)
Groundwater Management (465) Total		**144,940**	**124,479**	**82,214**	**(42,265)**
Wells and Water Measurement					
	Salaries & Benefits	0	4,712	0	(4,712)
	Intra District Charges	0	3,115	0	(3,115)
Wells and Water Measurement (475) Total		**0**	**7,828**	**0**	**(7,828)**
Capital Total*		**13,091,184**	**13,481,028**	**10,694,950**	**(2,786,078)**
Division Total*		**98,625,487**	**97,681,380**	**97,605,753**	**(75,628)**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Water Utility Capital Division



Division Description and Objectives

Water Utility Capital

The Water Utility Capital Division (315) is responsible for planning, design and construction of Water Utility capital projects in Valley Water's rolling 5-year Capital Improvement Program (CIP).

Capital Program Planning & Analysis

The Capital Program Planning and Analysis Unit provides analytical support for both Water Utility Enterprise and Watershed capital projects including benchmarking and status reports; it manages the advertise and award process for all public works projects over $25,000 and provides support during construction; unit staff assist with preparing and processing consultant agreements; unit staff develops and produces the annual 5-year CIP including maintaining all backup data, managing the Staff CIP Group and coordinating the agendas for the Board CIP Committee.

Construction Services

The Construction Services Unit provides construction management and inspection for capital construction projects.

East Side Project Delivery

The East Side Project Delivery Unit supports the implementation ofValley Water's 5-Year Capital Improvement Program for Water Utility projects on the east side of Santa Clara County. Unit staff manages and performs the planning and design, and provides engineering support services during construction of various water supply capital projects, including east side treatment plants and pump stations.

West Side Project Delivery

The West Side Project Delivery Unit supports the implementation of Valley Water's 5-Year Capital Improvement Program for Water Utility projects on the west side of Santa Clara County. Unit staff manages and performs the planning and design, and provides engineering support services during construction of various water supply capital projects at the Rinconada Water Treatment Plant and other facilities, as needed.

Pipelines Project Delivery

The Pipelines Project Delivery Unit is responsible for the planning and design, and providing engineering support services during construction of Valley Water's pipeline infrastructure projects defined in Valley Water's 5-year CIP as well as other District documents. Unit staff plan, design, and support construction of the Water Utility Small Capital Projects to support the Water Utility's Asset Management Program. Unit staff also provides structural engineering services for capital and operations projects throughout Valley Water.

FY 2019 Accomplishments

- Construction was completed for the Penitencia Delivery Main and Force Main Seismic Retrofit Project.
- Construction was initiated for the Main Avenue/Madrone Pipeline Restoration Project.
- Design Plans were prepared and permits obtained to inspect and rehabilitate the Cross Valley and Calero Pipelines.
- Design was initiated for the installation of four additional line valves in large-diameter pipelines for added resiliency after a seismic event.
- Completed the planning phase to identify a cost-effective remediation plan for the Rinconada Water Treatment Plant Residuals Management Project.
- Continued overseeing the progress of the 5-year construction Reliability Improvement Project at the Rinconada Water Treatment Plant.
- Secured a consultant to perform the planning phase work for the Coyote Pumping Plant Adjustable Speed Drive Replacement Project.
- Secured a consultant to perform the planning phase work for the Vasona Pumping Plant Upgrade Project.
- Advertised and awarded the Coyote Warehouse Project.
- Developed the FY 2020-2024 Five- Year CIP for approval by the Board;
- Developed monthly Status reports for all Capital Projects;

FY 2020 Milestones

- Complete Phase 2 of the Rinconada Water Treatment Plant Reliability Improvement Project.
- Complete construction of the Main/Madrone Pipelines Restoration Project.
- Complete construction of the Coyote Warehouse.
- Continue with planning phase work and prepare documentation for a design-build delivery for the Vasona Pumping Plant Upgrade and Coyote Pumping Plant Adjustable Speed Drive Projects.
- Perform inspection and rehabilitation on the Cross Valley and Calero Pipelines.
- Prepare design plans to inspect and rehabilitate Central Pipeline
- Prepare design plans for the Rinconada Water Treatment Plant Residuals Remediation Project.
- Continue with design of four additional line valves for Valley Water's pipeline system.
- Complete the construction of several small capital improvement projects: Pacheco Pumping Plant Fire Alarm Suppression System; Vasona Pumping Plabnt Fence and Gates Replacement; Santa Teresa Water Treatment Plant Air Wash Pipeline Replacement; and SVAWPC Storage Building
- Meet all deadlines for the preparation of the FY 2021-2025 Five-Year CIP.

Budget Issues and Constraints

None

Water Utility Capital Division — Budget Summary

Project Type (Category)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Operations	684,075	226,551	473,741	247,190	109%
Operating	(28,857)	0	0	0	109%
Capital	83,792,655	416,405	52,074,814	51,658,409	12,406%
Total *	**84,447,873**	**642,956**	**52,548,555**	**51,905,599**	**8,073%**

Department (Unit)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Capital Prog Plan and Analysis	2,526,258	(109,941,679)	3,032,272	112,973,951	-103%
West Side Project Delivery	52,004,689	51,499,948	13,814,153	(37,685,794)	-73%
Pipelines Project Delivery	17,377,845	30,961,394	21,268,492	(9,692,902)	-31%
East Side Project Delivery	2,811,993	16,656,291	3,511,965	(13,144,326)	-79%
Deputy's Office of Water Utility Capital Division	4,134,834	1,547,869	2,765,926	1,218,058	79%
Construction Services	5,592,254	9,919,134	8,155,747	(1,763,387)	-18%
Total *	**84,447,873**	**642,956**	**52,548,555**	**51,905,599**	**8,073%**

* Totals includes intra-district reimbursement charges.

Authorized Positions (excluding fellowships)

Water Utility Capital Division	**61**	**62**	**67**	**5****

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

Operations Budget by Department and Account Category

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Deputy's Office of Water Utility Capital Division					
	Salaries & Benefits	138,523	2,346	167,028	164,682
	Services & Supplies	1,800	0	0	0
	Intra District Charges	78,104	377	82,410	82,032
Deputy's Office of Water Utility Capital Division (315) Total		**218,427**	**2,724**	**249,438**	**246,714**
Capital Prog Plan and Analysis					
	Salaries & Benefits	59,791	5,317	26,824	21,507
	Services & Supplies	974	0	0	0
	Intra District Charges	22,374	709	3,653	2,945
Capital Prog Plan and Analysis (335) Total		**83,139**	**6,026**	**30,477**	**24,452**
Construction Services					
	Salaries & Benefits	91,687	43,915	10,737	(33,178)
	Services & Supplies	10,863	0	0	0
	Intra District Charges	53,710	23,729	5,522	(18,207)
Construction Services (351) Total		**156,261**	**67,644**	**16,259**	**(51,385)**
East Side Project Delivery					
	Salaries & Benefits	62,812	61,651	72,482	10,831
	Services & Supplies	96	0	0	0
	Intra District Charges	28,645	36,458	38,415	1,958
East Side Project Delivery (375) Total		**91,554**	**98,109**	**110,897**	**12,789**
West Side Project Delivery					
	Salaries & Benefits	17,442	5,125	3,074	(2,051)
	Services & Supplies	5,710	0	0	0
	Intra District Charges	10,100	678	419	(258)
West Side Project Delivery (376) Total		**33,252**	**5,803**	**3,494**	**(2,309)**
Pipelines Project Delivery					
	Salaries & Benefits	45,302	32,073	49,089	17,015
	Services & Supplies	11,164	0	0	0
	Intra District Charges	16,120	14,173	14,088	(86)
Pipelines Project Delivery (385) Total		**72,585**	**46,247**	**63,177**	**16,930**
Operations Total*		**655,218**	**226,551**	**473,741**	**247,190**

Capital Budget by Department and Account Category

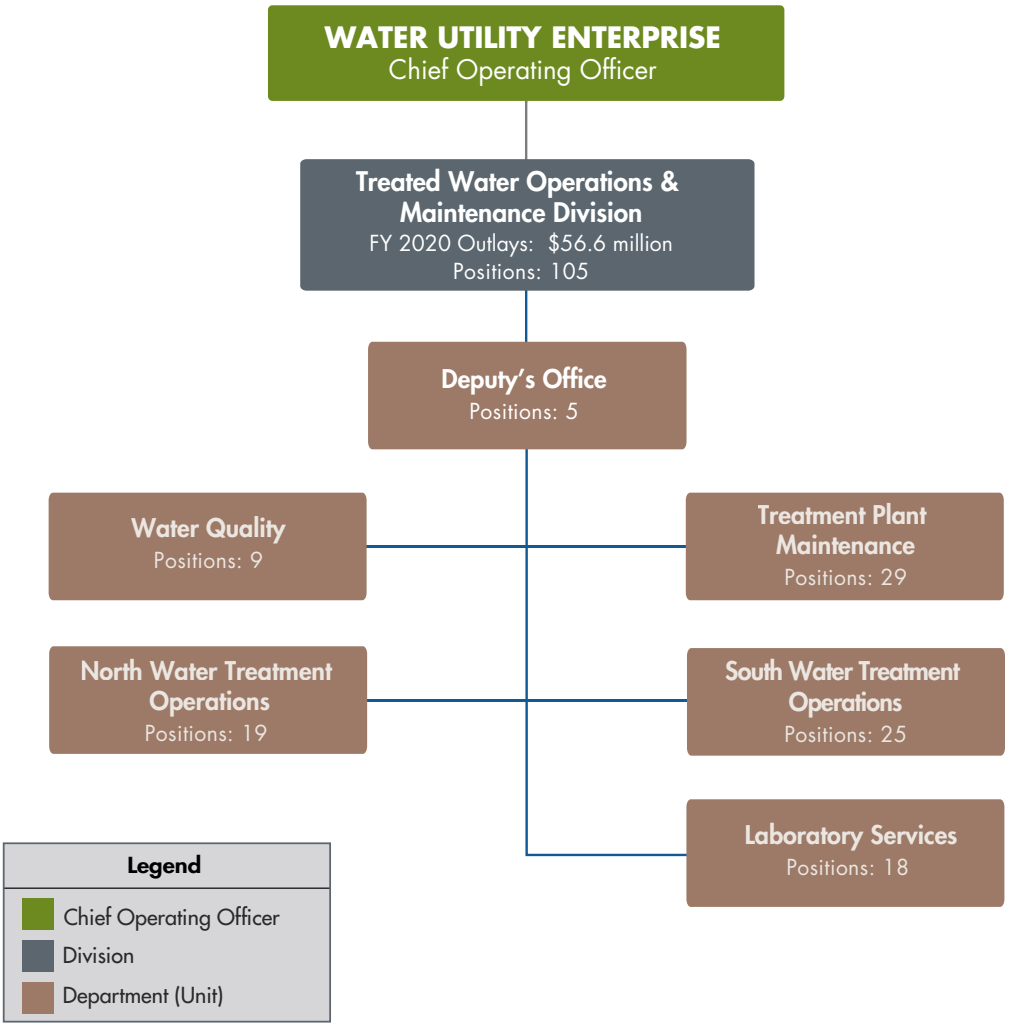
Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Deputy's Office of Water Utility Capital Division					
	Salaries & Benefits	705,339	820,503	411,074	(409,428)
	Services & Supplies	2,808,906	244,100	1,906,500	1,662,400
	Intra District Charges	402,161	480,542	198,914	(281,628)
Deputy's Office of Water Utility Capital Division (315) Total		**3,916,407**	**1,545,145**	**2,516,488**	**971,344**
Capital Prog Plan and Analysis					
	Salaries & Benefits	1,474,848	1,873,955	1,912,561	38,605
	Services & Supplies	53,056	(113,015,593)	32,350	113,047,943
	Intra District Charges	915,215	1,193,933	1,056,884	(137,049)
Capital Prog Plan and Analysis (335) Total		**2,443,119**	**(109,947,705)**	**3,001,795**	**112,949,499**
Construction Services					
	Salaries & Benefits	3,094,671	3,853,079	4,888,301	1,035,221
	Services & Supplies	409,974	3,554,700	599,652	(2,955,048)
	Capital Expenditures	6,250	0	0	0
	Intra District Charges	1,925,098	2,443,711	2,651,536	207,825
Construction Services (351) Total		**5,435,993**	**9,851,491**	**8,139,488**	**(1,712,002)**
East Side Project Delivery					
	Salaries & Benefits	1,405,435	1,487,257	1,471,649	(15,608)
	Services & Supplies	443,728	13,714,500	(1,662,847)	(15,377,347)
	Capital Expenditures	19,709	507,300	2,776,200	2,268,900
	Intra District Charges	851,568	849,125	816,066	(33,059)
East Side Project Delivery (375) Total		**2,720,439**	**16,558,182**	**3,401,068**	**(13,157,115)**
West Side Project Delivery					
	Salaries & Benefits	1,508,320	1,797,597	1,868,079	70,481
	Services & Supplies	12,859,705	11,261,000	791,056	(10,469,944)
	Capital Expenditures	36,654,370	37,370,000	10,105,000	(27,265,000)
	Intra District Charges	949,042	1,065,547	1,046,525	(19,022)
West Side Project Delivery (376) Total		**51,971,437**	**51,494,145**	**13,810,660**	**(37,683,485)**
Pipelines Project Delivery					
	Salaries & Benefits	1,844,298	2,516,016	2,701,812	185,797
	Services & Supplies	2,981,995	3,496,525	3,854,945	358,420
	Capital Expenditures	11,265,349	23,310,000	13,155,500	(10,154,500)

Capital Budget by Department and Account Category (Continued)

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
	Intra District Charges	1,213,618	1,592,607	1,493,058	(99,549)
Pipelines Project Delivery (385) Total		**17,305,260**	**30,915,147**	**21,205,315**	**(9,709,832)**
Capital Total*		**83,792,655**	**416,405**	**52,074,814**	**51,658,409**
Division Total*		**84,447,873**	**642,956**	**52,548,555**	**51,905,599**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Treated Water Operations & Maintenance Division



Division Description and Objectives

The Treated Water Operations and Maintenance Division operates and maintains Valley Water's 3 drinking water treatment plants – 100 MGD Santa Teresa WTP in south San Jose, 40 MGD Penitencia WTP in east San Jose and 80 MGD Rinconada WTP in Los Gatos; an advanced water purification center in North San Jose; a state-of-the-art water quality laboratory that performs close to 175,000 tests annually; and, a 3 MGD wellfield in Campbell that is can be used to supplement treated water from Rinconada. The division is also the operator of a 40 MGD joint intertie facility in Milpitas co-owned with the San Francisco Public Utilities Commission.

Water Quality

The Water Quality Unit's focus is to provide process engineering support to our drinking water treatment plants to ensure quality drinking water that meets or surpasses all applicable State and Federal drinking water regulatory standards and is aesthetically pleasing for our customers. The unit has the responsibility to work with the Water Utility Capital Division and the Operations staff to prepare and submit any water treatment permit amendments required by modifications to the treatment plants. It also is responsible for source water quality management and invasive species (such as mussels) prevention program.

Laboratory Services

The Laboratory Services Unit supports all sampling and analysis needs of surface and treated water, transmission & distribution systems, recycled water, process control for treatment plants, local groundwater basins, and groundwater recharge facilities, for State regulatory compliance. It also maintains lab accreditation with the California Environmental Laboratory Accreditation Program. The Unit purchases of all necessary laboratory supplies and equipment to meet water quality monitoring requirements.

Treatment Plant Maintenance

The Treatment Plant Maintenance Department has skilled-craft maintenance staff, service contracts, parts and equipment required to sustain operations of the Santa Teresa (STWTP), Penitencia (PWTP), Rinconada (RWTP) water treatment plants, Campbell Well Field (CWF), and San Francisco Intertie (SFI) to produce drinking water.

North Water Treatment Operations

The North Water Treatment Operations Department is responsible for operating one of Valley Water's drinking water treatment plant (Penitencia Water Treatment Plant), the joint intertie facility with San Francisco Public Utilities Commission (SFPUC), as well as operations and maintenance of the Silicon Valley Advanced Water Purification Center (SVAWPC).

South Water Treatment Operations

The South Water Treatment Operations Department is responsible for the safe and efficient operations and management of Valley Water's two water treatment plants (Rinconada and Santa Teresa) and one wellfield (Campbell Well Field).

FY 2019 Accomplishments

- Managed the effective operation and maintained the STWTP, PTWTP and RWTP, Valley Water Intertie facility, the Campbell Well Field, and the East and West Pipeline turnouts to deliver treated water to our customers which met and/or surpassed all applicable primary drinking water quality regulatory standards.
- Effectively maintained all treated water facilities with (Target of 90%) 80% completion of preventative maintenance work orders (PMs) and kept corrective maintenance (CM) to 5% (Target< 15%).
- 100% of the purified water produced from Silicon Valley Advanced Water Purification Center (SVAWPC) met Title 22 recycled water standards and O&M agreement targets.
- ELAP requirements for recertification, quality control, and proficiency testing were met as well as successful completion of 175,000 analyses to support ongoing Valley Water operations by the Water Quality Lab.

- Continued to support Rinconada Reliability Improvement Project and Residuals Remediation Project (ongoing FY2019).
- Provided regular communication with the retailers on pertinent water quality activities/operational issues and hold successful quarterly Water Retailer Meetings.
- Provided regular communications with the Division of Drinking Water (DDW) on pertinent water quality activities. Held a successful annual meeting with the Division of Drinking Water in November 2018.
- Complete the Membrane Selection Pilot for the Silicon Valley Advanced Water Purification Center and support membrane replacement efforts (ongoing FY2019).
- Successful development of an SOP and definition of roles and responsibilities, training to operations staff and plan coordination with multiple units to oversee the Water Truck operations.
- Became the first California agency with non-infested waterbodies to get its Mussel Prevention Plan officially approved by CDFW.
- Met with all Water Retailer Customers one on one to address any concerns and provide an update on WUE priorities and activities.

FY 2020 Milestones

- Ensure that 100% of the treated water delivered to our customers meets all applicable primary drinking water regulatory standards.
- Meet all sampling and reporting requirements established by Division of Drinking Water, and Valley Water operational needs. Timely submittal of all operational and compliance reports to Division of Drinking Water, Valley Water Retailers, and internal stakeholders, as required, and upon request.
- Transition & Maintain laboratory accreditation with California Environmental Laboratory Accreditation Program (CA ELAP).
- Host a Cyanotoxin Response Plan tabletop exercise with regulators and retailers to address communications during a harmful algal bloom episode.
- Provide support to Rinconada's capital project and work diligently to obtain all the necessary regulatory clearances from DDW.
- Provide regular communications with the retailers on pertinent water quality issues (taste and odor, distribution system water quality), conduct at least quarterly Water Retailer meetings and receive an average of good or better rating in the annual retailer surveys.

Budget Issues and Constraints

Ongoing staffing and resources assignment constraints to support capital and large projects.

Treated Water Operations & Maintenance Division — Budget Summary

Project Type (Category)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Operations	41,811,198	42,184,026	44,118,544	1,934,519	5%
Operating	0	0	0	0	5%
Capital	2,813,706	4,664,319	12,479,895	7,815,576	168%
Total *	**44,624,904**	**46,848,345**	**56,598,440**	**9,750,095**	**21%**

Department (Unit)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Water Quality	3,032,146	2,786,023	3,708,396	922,372	33%
Deputy's Office of WU Operations & Maintenance Div	1,396,198	1,192,363	1,946,632	754,269	63%
South Water Treatment Operations	12,444,402	13,737,640	13,722,710	(14,930)	0%
Treatment Plant Maintenance	11,654,381	13,197,743	21,419,003	8,221,260	62%
North Water Treatment Operations	9,571,014	9,358,375	9,097,572	(260,802)	-3%
Laboratory Services	6,526,762	6,576,201	6,704,127	127,926	2%
Total *	**44,624,904**	**46,848,345**	**56,598,440**	**9,750,095**	**21%**

* Totals includes intra-district reimbursement charges.

Authorized Positions (excluding fellowships)

Treated Water Operations & Maintenance Division	**101**	**101**	**105**	**4****

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

Operations Budget by Department and Account Category

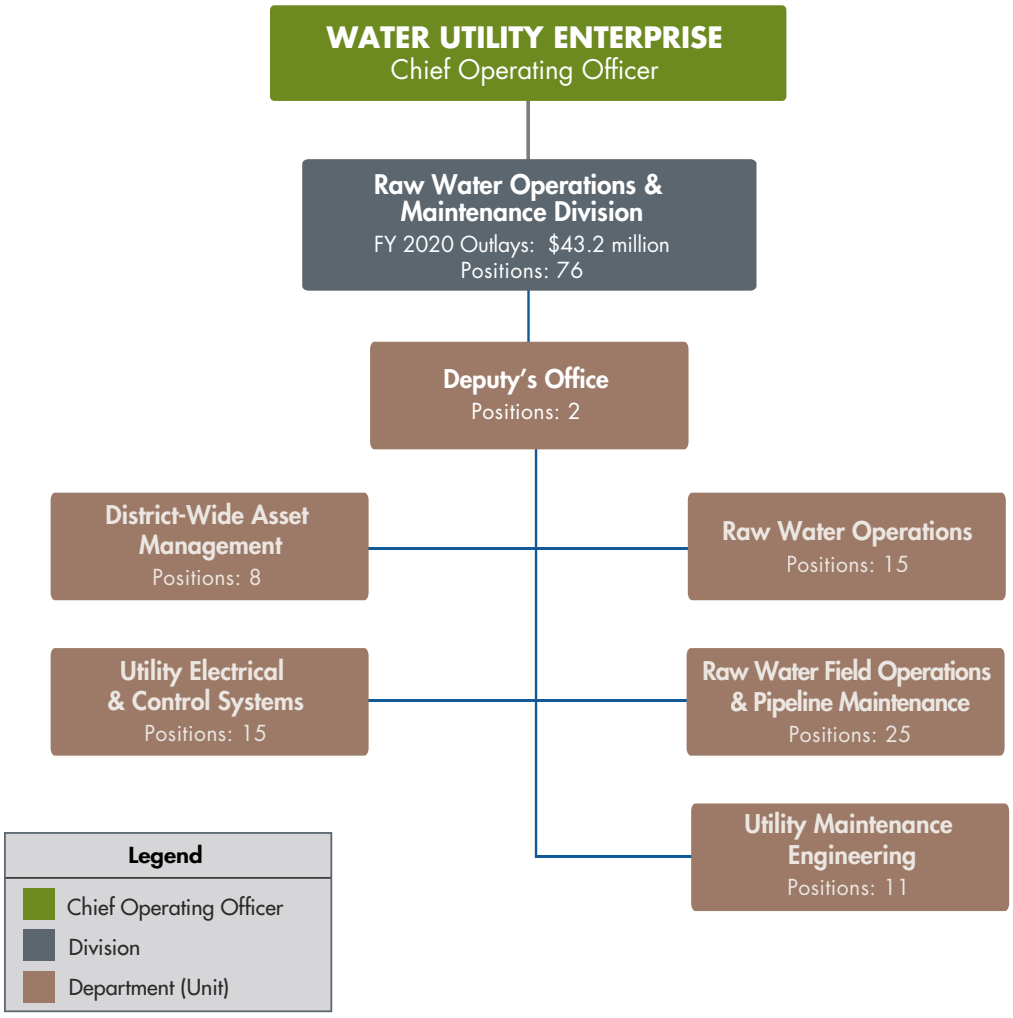
Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Deputy's Office of WU Operations & Maintenance Div					
	Salaries & Benefits	876,371	640,946	1,208,028	567,082
	Services & Supplies	15,337	6,850	40,000	33,150
	Intra District Charges	440,483	418,597	669,322	250,725
Deputy's Office of WU Operations & Maintenance Div (515) Total		**1,332,191**	**1,066,393**	**1,917,350**	**850,957**
Water Quality					
	Salaries & Benefits	1,492,205	1,341,485	1,658,411	316,926
	Services & Supplies	525,006	161,250	681,670	520,420
	Intra District Charges	938,520	855,724	917,906	62,182
Water Quality (525) Total		**2,955,731**	**2,358,459**	**3,257,986**	**899,528**
Laboratory Services					
	Salaries & Benefits	3,116,601	3,271,197	3,458,105	186,908
	Services & Supplies	706,478	1,155,070	673,000	(482,070)
	Intra District Charges	2,007,266	2,086,308	1,909,577	(176,731)
	Capital Expenditures	100,276	49,500	49,500	0
Laboratory Services (535) Total		**5,930,621**	**6,562,075**	**6,090,182**	**(471,893)**
Treatment Plant Maintenance					
	Salaries & Benefits	4,575,678	4,330,275	4,834,161	503,885
	Services & Supplies	2,147,512	2,487,000	2,837,000	350,000
	Intra District Charges	3,135,704	2,897,457	2,930,261	32,804
	Capital Expenditures	57,979	10,000	10,000	0
Treatment Plant Maintenance (555) Total		**9,916,873**	**9,724,733**	**10,611,422**	**886,689**
North Water Treatment Operations					
	Salaries & Benefits	3,636,791	3,712,791	3,639,733	(73,058)
	Services & Supplies	2,806,255	3,426,500	3,467,000	40,500
	Intra District Charges	2,287,968	2,219,083	1,990,839	(228,244)
	Capital Expenditures	840,000	0	0	0
North Water Treatment Operations (565) Total		**9,571,014**	**9,358,375**	**9,097,572**	**(260,802)**
South Water Treatment Operations					
	Salaries & Benefits	4,471,844	4,547,758	4,662,269	114,511
	Services & Supplies	4,943,492	6,005,700	6,185,700	180,000
	Intra District Charges	2,689,432	2,560,534	2,296,063	(264,471)
South Water Treatment Operations (566) Total		**12,104,769**	**13,113,992**	**13,144,032**	**30,040**
Operations Total*		**41,811,198**	**42,184,026**	**44,118,544**	**1,934,519**

Capital Budget by Department and Account Category

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Deputy's Office of WU Operations & Maintenance Div					
	Salaries & Benefits	42,273	76,108	18,823	(57,285)
	Intra District Charges	21,734	49,863	10,459	(39,404)
Deputy's Office of WU Operations & Maintenance Div (515) Total		**64,008**	**125,971**	**29,282**	**(96,689)**
Water Quality					
	Salaries & Benefits	46,626	108,306	289,733	181,427
	Intra District Charges	29,789	69,259	160,676	91,418
	Services & Supplies	0	250,000	0	(250,000)
Water Quality (525) Total		**76,415**	**427,565**	**450,409**	**22,845**
Laboratory Services					
	Salaries & Benefits	1,959	8,582	8,948	366
	Intra District Charges	987	5,544	4,997	(547)
	Capital Expenditures	593,196	0	600,000	600,000
Laboratory Services (535) Total		**596,141**	**14,125**	**613,945**	**599,819**
Treatment Plant Maintenance					
	Salaries & Benefits	294,261	976,977	749,673	(227,305)
	Intra District Charges	207,195	726,033	492,909	(233,124)
	Services & Supplies	1,210,076	1,170,000	7,465,000	6,295,000
	Capital Expenditures	25,976	600,000	2,100,000	1,500,000
Treatment Plant Maintenance (555) Total		**1,737,508**	**3,473,011**	**10,807,581**	**7,334,571**
North Water Treatment Operations					
North Water Treatment Operations (565) Total		**0**	**0**	**0**	**0**
South Water Treatment Operations					
	Salaries & Benefits	210,024	379,554	372,575	(6,980)
	Intra District Charges	129,610	244,093	206,103	(37,990)
South Water Treatment Operations (566) Total		**339,633**	**623,648**	**578,678**	**(44,970)**
Capital Total*		**2,813,706**	**4,664,319**	**12,479,895**	**7,815,576**
Division Total*		**44,624,904**	**46,848,345**	**56,598,440**	**9,750,095**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Raw Water Operations & Maintenance Division



Division Description and Objectives

The Raw Water Operations and Maintenance Division maintains and/or operates 142 miles of large diameter transmission pipelines including 85 miles of raw water pipelines, three pumping plants and 393 acres of ponds used to recharge the groundwater basin. The use of local and imported raw water supplies are maximized to meet treated water, groundwater recharge and environmental needs.

The Division also provides District-wide electrical, control and SCADA systems engineering as well as civil and mechanical engineering and corrosion control services in support of Water Utility Operations and Maintenance Programs and Projects. The Division manages Valley Water's Asset Management programs for Water Utility, Watershed, and Administration, oversees the Computerized Maintenance Management System (CMMS) and the

Division's District-wide Energy Management program effectively reduces electricity costs by approximately one million dollars annually.

Asset Management

The District-wide Asset Management Department implements and continually improves asset management standards and information systems based on industry best practices. The Department manages Valley Water's water utility, watershed, and administration asset management programs, and supports the users of Valley Water's Computerized Maintenance Management System (CMMS), Maximo.

Utility Maintenance Engineering

The Utility Maintenance Engineering Unit provides civil and mechanical engineering as well as corrosion control services in support of Water Utility Operations and Maintenance Programs and Projects. The Unit also supports the 10-year pipeline rehabilitation capital project and oversees the implementation of the management strategy for large diameter water conveyance and transmission pipelines. This includes the inspection of Welded Steel and Pre-stressed Concrete Cylinder Pipe (PCCP) as well as the development of seismic and risk management tools for pipelines. The Unit also provides engineering support at the three treatment plants and the SVAWPC.

Raw Water Operations

The Raw Water Operations Department performs the day-to-day operations planning and remote operations of Valley Water's Raw Water System consisting of:

- 10 water supply reservoirs with a combined storage capacity of about 169,000 acre-feet
- 3 Raw Water Pump Stations with over 37,000 combined horsepower
- 1 hydro-electric facility
- 94 miles of large diameter raw water pipelines and tunnels
- 99 groundwater recharge ponds
- 86 miles of streams managed for groundwater recharge.

The department also performs the required water right and regulatory compliance reporting to maintain and protect local water supply operations.

Utility Electrical & Control Systems

The Utility Electrical & Control Systems Department provides electrical and control systems engineering services to Valley Water's treated water facilities: Penitencia, Santa Teresa, and Rinconada water treatment plants, 40 miles of treated water pipelines, the Campbell Well Field, and a pump station jointly owned and operated with the San Francisco Public Utilities Commission. Service is also provided to the Silicon Valley Advanced Water Purification Center and the following raw water facilities, 10 reservoirs, three pumping plants, 94 miles of large transmission pipelines and 393 acres of groundwater recharge ponds. The department manages the District-wide energy management program.

Raw Water Field Operations & Pipeline Maintenance

The Raw Water Field Operations and Pipeline Maintenance Department is responsible for the mechanical, electrical and control system preventive, corrective, and rehabilitative maintenance of the pipeline infrastructure which includes three pump stations (Pacheco, Coyote and Vasona) and 142 miles of pipeline. Also included is the operation of recharge and water distribution systems for groundwater basins, reservoirs, canals, spreader dams, and other water supply infrastructure.

FY 2019 Accomplishments

- Completed the FY20-24 Water Utility Maintenance Workplan and FY18 Water Utility Maintenance Workplan Review Report.
- Completed a Piedmont Creek Asset Management Plan.
- Successful implementation of Water Utility Raw Water Maximo site and new facilities request system in Maximo.
- Completed level of service documentation for ten creeks.
- Completed the Almaden Valley Pipeline Inspection and Rehabilitation Project and Emergency Repairs.
- Prepared six (6) new reservoir elevation-area-capacity curves for implementation at the beginning of water year 2019.

FY 2020 Milestones

- Complete the FY 21-25 Water Utility Maintenance Work Plan.
- Plan and execute on work projects identified in the 5 Year Maintenance Work Plan.
- Maintain reliable raw water and pipeline facilities by performing scheduled preventative maintenance.
- Implement watershed program site in Maximo.
- Complete raw and treated water system hydraulic models.Complete the Cross Valley, Calero, and Central Pipeline Inspections.

Budget Issues and Constraints

The limited pool of journey level applicants in specialized fields such as electrical, controls, mechanical, and corrosion control has greatly limited the ability to fill critical positions.

Raw Water Operations & Maintenance Division — Budget Summary

Project Type (Category)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Operations	26,427,210	27,717,508	28,462,060	744,552	3%
Operating	8,040	0	0	0	3%
Capital	28,957,012	18,172,640	14,699,033	(3,473,607)	-19%
Total *	**55,392,262**	**45,890,147**	**43,161,093**	**(2,729,055)**	**-6%**

Department (Unit)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
District-wide Asset Management	3,181,661	4,091,466	3,419,087	(672,379)	-16%
Raw Water Operations	4,825,946	5,351,614	5,652,603	300,989	6%
Utility Electrical & Control Systems	5,813,741	6,569,845	6,112,792	(457,052)	-7%
Utility Maintenance Engineering	26,220,296	14,241,026	8,298,999	(5,942,027)	-42%
Deputy's Office of Raw Water Ops & Maint Division	1,050,602	1,032,821	684,881	(347,939)	-34%
Raw Wtr Field Ops & Pipe Maint	14,300,016	14,603,376	18,992,729	4,389,354	30%
Total *	**55,392,262**	**45,890,147**	**43,161,093**	**(2,729,055)**	**-6%**

* Totals includes intra-district reimbursement charges.

Authorized Positions (excluding fellowships)

Raw Water Operations & Maintenance Division	**76**	**76**	**76**	**0****

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

Operations Budget by Department and Account Category

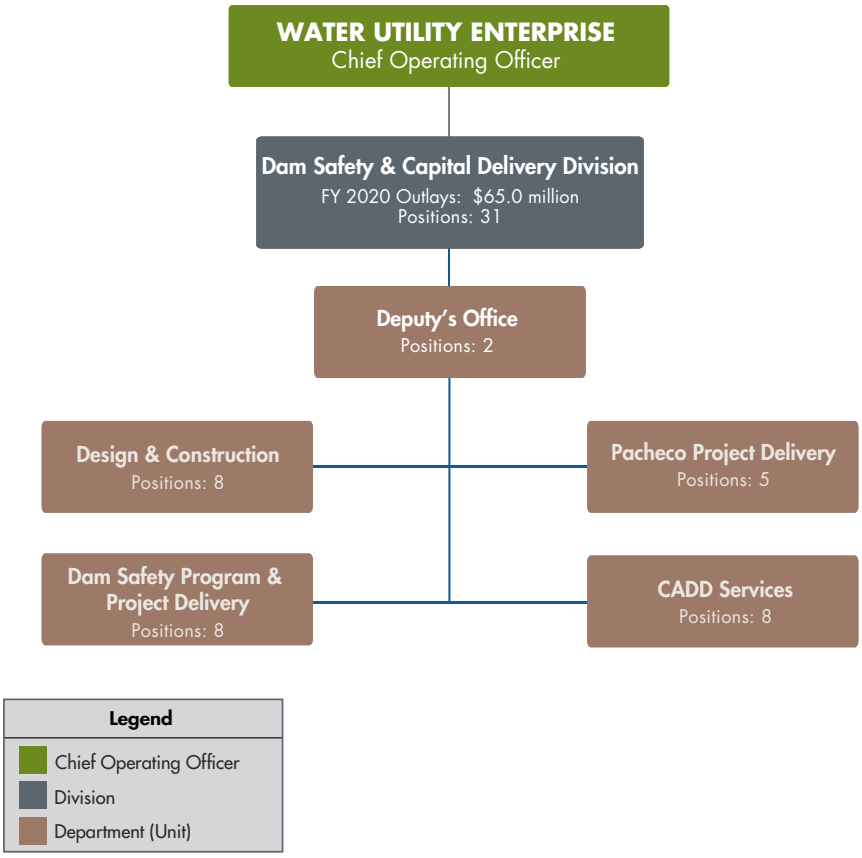
Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Deputy's Office of Raw Water Ops & Maint Division					
	Salaries & Benefits	629,013	623,992	434,264	(189,728)
	Services & Supplies	5,383	6,000	7,000	1,000
	Intra District Charges	416,206	402,829	243,618	(159,211)
Deputy's Office of Raw Water Ops & Maint Division (408) Total		**1,050,602**	**1,032,821**	**684,881**	**(347,939)**
District-wide Asset Management					
	Salaries & Benefits	1,618,010	1,599,723	1,702,719	102,996
	Services & Supplies	519,353	1,242,500	687,500	(555,000)
	Intra District Charges	1,044,298	1,039,969	951,549	(88,420)
District-wide Asset Management (411) Total		**3,181,661**	**3,882,192**	**3,341,768**	**(540,424)**
Utility Maintenance Engineering					
	Salaries & Benefits	1,223,167	1,101,813	1,681,993	580,180
	Services & Supplies	358,851	62,200	682,000	619,800
	Intra District Charges	763,803	734,953	982,650	247,697
Utility Maintenance Engineering (435) Total		**2,345,821**	**1,898,965**	**3,346,643**	**1,447,677**
Raw Water Operations					
	Salaries & Benefits	2,714,719	3,034,239	3,209,027	174,788
	Services & Supplies	351,873	523,150	676,750	153,600
	Intra District Charges	1,651,199	1,766,464	1,690,539	(75,925)
Raw Water Operations (455) Total		**4,717,790**	**5,323,853**	**5,576,316**	**252,463**
Utility Electrical & Control Systems					
	Salaries & Benefits	2,485,371	2,720,855	2,661,094	(59,761)
	Services & Supplies	885,419	1,120,250	997,800	(122,450)
	Intra District Charges	1,562,418	1,742,341	1,484,079	(258,262)
Utility Electrical & Control Systems (545) Total		**4,933,208**	**5,583,446**	**5,142,973**	**(440,473)**
Raw Wtr Field Ops & Pipe Maint					
	Salaries & Benefits	4,062,883	4,256,964	4,465,033	208,070
	Services & Supplies	3,295,153	2,604,360	2,958,360	354,000
	Intra District Charges	2,848,132	3,134,907	2,946,086	(188,821)
Raw Wtr Field Ops & Pipe Maint (585) Total		**10,206,168**	**9,996,231**	**10,369,479**	**373,249**
Operations Total*		**26,435,250**	**27,717,508**	**28,462,060**	**744,552**

Capital Budget by Department and Account Category

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Deputy's Office of Raw Water Ops & Maint Division					
Deputy's Office of Raw Water Ops & Maint Division (408) Total		**0**	**0**	**0**	**0**
District-wide Asset Management					
	Salaries & Benefits	0	126,534	49,431	(77,103)
	Intra District Charges	0	82,741	27,889	(54,852)
District-wide Asset Management (411) Total		**0**	**209,274**	**77,320**	**(131,954)**
Utility Maintenance Engineering					
	Services & Supplies	8,918,468	10,237,000	4,055,000	(6,182,000)
	Salaries & Benefits	1,046,237	1,271,810	565,148	(706,663)
	Intra District Charges	638,891	833,250	332,209	(501,041)
	Capital Expenditures	13,270,879	0	0	0
Utility Maintenance Engineering (435) Total		**23,874,476**	**12,342,061**	**4,952,357**	**(7,389,704)**
Raw Water Operations					
	Services & Supplies	50,381	0	0	0
	Salaries & Benefits	35,696	17,869	49,403	31,534
	Intra District Charges	22,080	9,892	26,885	16,992
Raw Water Operations (455) Total		**108,156**	**27,761**	**76,287**	**48,526**
Utility Electrical & Control Systems					
	Services & Supplies	1,748	0	0	0
	Salaries & Benefits	539,098	628,945	619,146	(9,798)
	Intra District Charges	339,686	357,454	350,673	(6,781)
Utility Electrical & Control Systems (545) Total		**880,532**	**986,399**	**969,820**	**(16,579)**
Raw Wtr Field Ops & Pipe Maint					
	Services & Supplies	3,533,322	4,185,000	6,906,500	2,721,500
	Salaries & Benefits	337,544	238,972	346,421	107,449
	Intra District Charges	222,982	183,173	244,329	61,156
	Capital Expenditures	0	0	1,126,000	1,126,000
Raw Wtr Field Ops & Pipe Maint (585) Total		**4,093,848**	**4,607,145**	**8,623,250**	**4,016,105**
Capital Total*		**28,957,012**	**18,172,640**	**14,699,033**	**(3,473,607)**
Division Total*		**55,392,262**	**45,890,147**	**43,161,093**	**(2,729,055)**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Dam Safety and Capital Delivery



Division Description and Objectives

Dam Safety and Capital Delivery

The Dam Safety and Capital Delivery Division is responsible for planning, implementation and management of the portion of Valley Water's 5-year Capital Improvement Program (CIP) associated with dam construction and maintenance and specific flood protection projects.

Design & Construction Unit #3

Design and Construction Department 3 is responsible for design and construction of the following Capital Watershed Projects: Lower Silver Creek Flood Protection Project (Reaches 3-6), Sunnyvale East Channel and West Channel Flood Protection Project, and the Upper Llagas Creek Flood Protection Project.

CADD Services

The responsibilities of the CADD Department include the production of engineering drafting and design work, field investigations, and management of CADD related software, in support of Valley Water's water resources facilities, flood control and pipeline infrastructure, and watershed management.

Pacheco Project Delivery

The Pacheco Project Delivery Department is responsible for implementation of the Pacheco Reservoir Expansion Project, including the Capital efforts of planning, design, and environmental documentation. Department staff also coordinate with the California Water Commission (CWC), the U.S. Bureau of Reclamation, and other agencies regarding funding and partnering opportunities for the Project.

Dam Safety Program & Project Delivery

The Dam Safety Program and Project Delivery Department manages maintenance, inspections, regulatory compliance, and safety of Valley Water dams. In addition, the department also delivers all capital projects related to the dams. The dam safety and dam maintenance activities are carried out through the department's Dam Safety and the Dams and Reservoirs Maintenance Programs. Capital projects currently being managed by the department include - Anderson Dam Seismic Retrofit Project, Calero Dam Seismic Retrofit Project, and the Guadalupe Dam Seismic Retrofit Project. Other dam-related projects currently managed by the department include Almaden Intake Project and Dam Safety Evaluation - Phase 1 Project.

FY 2019 Accomplishments

- Negotiation and award of consultant agreements for Planning, Design, Environmental Documentation and Permitting services, and for Program Management services, on the Pacheco Reservoir Expansion Project.Conditional award of $484.55 million in Prop 1 grant funding from the CWC and negotiation and execution of the $24.5 million Early Funding agreement with CWC for the Pacheco Reservoir Expansion Project.
- The CADD Services Department has processed and completed (July 2018 thru May 2019) approximately 322 CADD requests submitted for 33 of 48 budgeted projects, and an additional 35 unplanned projects for which CADD services or support were requested.CADD Services has maintained a customer SATISFACTION rating of 93% and an ON-TIME COMPLETION rating of 88%. Targets are 80%.
- Completed 60% design for Anderson, Guadalupe, and Calero Dam Seismic Retrofit Projects
- Completed Phase 5 Geotechnical Investigation for Anderson Dam Seismic Retrofit Project.
- Received the final Environmental Impact Statement (EIS), acquired ~100 parcels required for Phase 1 and 2 construction, received the Record of Decision and 404 permit, and Valley Water's Board authorized advertisement for construction of Phase 1 of the Upper Llagas Creek Flood Protection Project.
- Completed draft 99% construction drawings, acquired all rights-of-way, and completed CLOMR application to FEMA, for the Sunnyvale E-W Channel Flood Protection Project.

FY 2020 Milestones

- Completion of Phase 1 Geotechnical Field Investigations for the Pacheco Reservoir Expansion Project.

- Development of an Allocation Plan with San Benito County Water District for the Pacheco Reservoir Expansion Project.
- Revise and release the latest version of the CADD Unit and the consultant drawing standards.
- Complete formal inspection of Valley Water's six dams with Division of Safety of Dams (DSOD) and Federal Energy Regulatory Commission (FERC) and submit surveillance and monitoring reports as required.
- Initiate condition evaluation, and complete field evaluation of spillways, of Lenihan and Steven's Creek dam spillways.
- Initiate Phase 6 Geotechnical Investigation at Anderson Dam.
- Complete 90% design for the Anderson, Calero, and Guadalupe Dam Seismic Retrofit Projects
- Complete Phase 2 design, right-of-way acquisitions, and advertise for Construction on the Upper Llagas Creek Flood Protection Project.
- Integrate agreed upon project modifications, acquire permits, finalize construction documents and advertise for construction on the Sunnyvale E-W Flood Protection Project.
- Continue the 3-year plant establishment period, provide comments on, and finalize, the Operations and Maintenance Manual (Reaches 1-6 including Lake Cunningham) and continue review, approve and submit DWR claims for the Lower Silver Creek Flood Protection Project.

Budget Issues and Constraints

Resource constraints within the Division may impact the ability to successfully complete the listed milestones within the time frame outlined. Staff availability and support outside of the Water Utility Capital Division is also a factor affecting completion of the projected milestones and the volume of work that can be accomplished. Project progress can be greatly affected by external factors outside of Valley Water (i.e., securing permits; obtaining timely reviews and approvals of project deliverables; timely development and execution of agreements with external agencies). Funding shortfalls may also delay construction of several projects resulting in cost inflation and/or project revalidation. Board consultation and direction may be required upon project revalidation to confirm conformance with previous Board direction, current prioritization, and Board policy.

Dam Safety and Capital Delivery — Budget Summary

Project Type (Category)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Operations	1,961,943	2,526,572	2,629,142	102,570	4%
Operating	53,314	11,298	9,993	(1,306)	-12%
Capital	26,256,908	46,987,944	62,377,659	15,389,716	33%
Total *	**28,272,164**	**49,525,813**	**65,016,794**	**15,490,980**	**31%**

Department (Unit)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Dam Safety Program and project delivery	13,050,886	22,453,982	7,045,405	(15,408,578)	-69%
CADD Services	1,997,391	2,066,897	2,046,959	(19,938)	-1%
Deputy's Office of Dam Safety&Capital Delivery Division	0	0	793,818	793,818	-1%
Design & Construction Unit 3	13,223,888	25,004,934	15,165,208	(9,839,727)	-39%
Pacheco Project Delivery	0	0	39,965,405	39,965,405	-39%
Total *	**28,272,164**	**49,525,813**	**65,016,794**	**15,490,980**	**31%**

* Totals includes intra-district reimbursement charges.

Authorized Positions (excluding fellowships)

Dam Safety and Capital Delivery	**24**	**24**	**31**	**7****

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

Operations Budget by Department and Account Category

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Deputy's Office of Dam Safety&Capital Delivery Division					
	Services & Supplies	0	0	500	500
Deputy's Office of Dam Safety&Capital Delivery Division (313) Total		**0**	**0**	**500**	**500**
Design & Construction Unit 3					
	Salaries & Benefits	3,878	8,022	4,979	(3,043)
	Services & Supplies	996	0	0	0
	Intra District Charges	716	2,709	669	(2,040)
Design & Construction Unit 3 (333) Total		**5,591**	**10,731**	**5,648**	**(5,083)**
CADD Services					
	Salaries & Benefits	222,380	158,839	153,867	(4,972)
	Services & Supplies	46,368	56,300	66,200	9,900
	Intra District Charges	108,216	58,020	53,995	(4,025)
CADD Services (366) Total		**376,964**	**273,159**	**274,061**	**902**
Pacheco Project Delivery					
	Salaries & Benefits	0	0	67,806	67,806
	Services & Supplies	0	0	2,500	2,500
	Intra District Charges	0	0	38,623	38,623
Pacheco Project Delivery (377) Total		**0**	**0**	**108,930**	**108,930**
Dam Safety Program and project delivery					
	Salaries & Benefits	655,470	831,093	633,360	(197,733)
	Services & Supplies	568,630	1,056,330	1,266,080	209,750
	Intra District Charges	405,916	366,557	348,390	(18,167)
	Capital Expenditures	2,686	0	2,165	2,165
Dam Safety Program and project delivery (595) Total		**1,632,701**	**2,253,980**	**2,249,995**	**(3,985)**
Operations Total*		**2,015,257**	**2,537,870**	**2,639,134**	**101,264**

Capital Budget by Department and Account Category

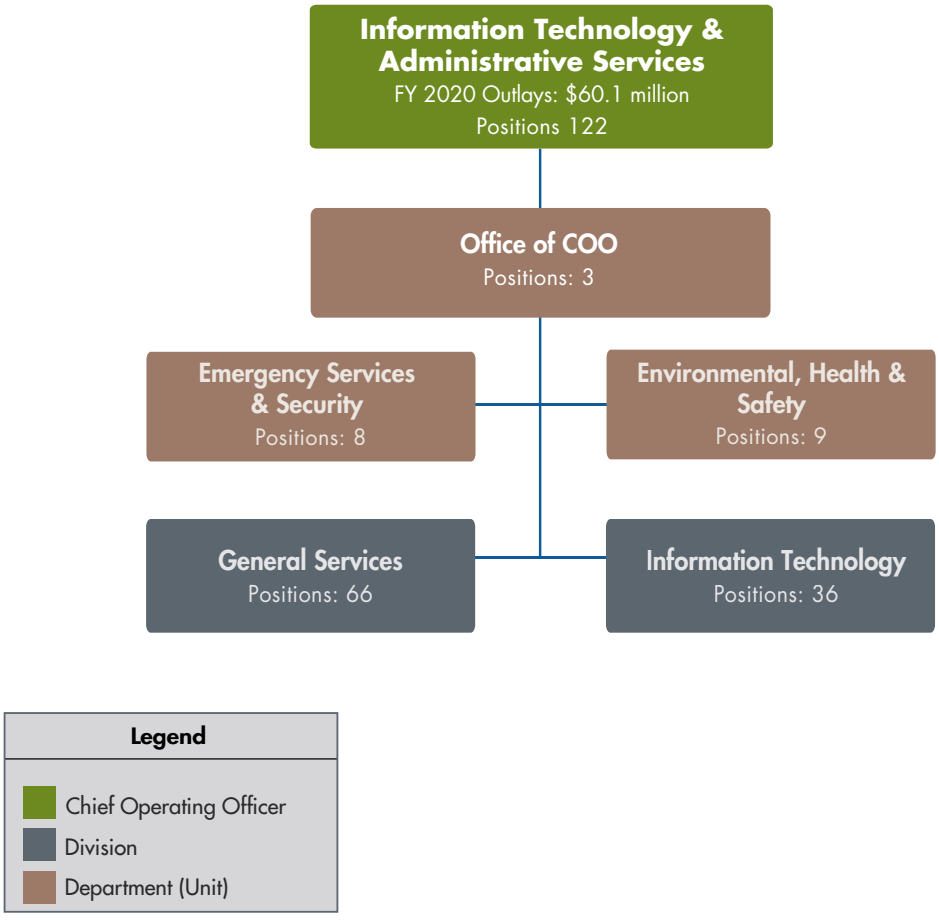
Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Deputy's Office of Dam Safety&Capital Delivery Division					
	Salaries & Benefits	0	0	507,611	507,611
	Services & Supplies	0	0	4,500	4,500
	Intra District Charges	0	0	281,206	281,206
Deputy's Office of Dam Safety&Capital Delivery Division (313) Total		**0**	**0**	**793,318**	**793,318**

Capital Budget by Department and Account Category (Continued)

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Design & Construction Unit 3					
	Salaries & Benefits	1,424,526	1,645,001	1,712,953	67,952
	Services & Supplies	1,512,790	11,582,100	(46,393,264)	(57,975,364)
	Intra District Charges	938,741	1,057,102	947,871	(109,231)
	Capital Expenditures	9,342,239	10,710,000	58,892,000	48,182,000
Design & Construction Unit 3 (333) Total		**13,218,297**	**24,994,203**	**15,159,559**	**(9,834,644)**
CADD Services					
	Salaries & Benefits	1,012,168	1,113,417	1,167,286	53,869
	Services & Supplies	5,600	5,650	5,700	50
	Intra District Charges	602,659	674,671	599,911	(74,760)
CADD Services (366) Total		**1,620,426**	**1,793,738**	**1,772,898**	**(20,841)**
Pacheco Project Delivery					
	Salaries & Benefits	0	0	1,139,292	1,139,292
	Services & Supplies	0	0	38,070,725	38,070,725
	Intra District Charges	0	0	646,459	646,459
Pacheco Project Delivery (377) Total		**0**	**0**	**39,856,475**	**39,856,475**
Dam Safety Program and project delivery					
	Salaries & Benefits	964,713	1,258,301	1,219,496	(38,805)
	Services & Supplies	9,853,184	17,328,126	2,894,253	(14,433,873)
	Intra District Charges	600,127	763,575	681,660	(81,915)
	Capital Expenditures	161	850,000	0	(850,000)
Dam Safety Program and project delivery (595) Total		**11,418,185**	**20,200,002**	**4,795,409**	**(15,404,593)**
Capital Total*		**26,256,908**	**46,987,944**	**62,377,659**	**15,389,716**
Division Total*		**28,272,164**	**49,525,813**	**65,016,794**	**15,490,980**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

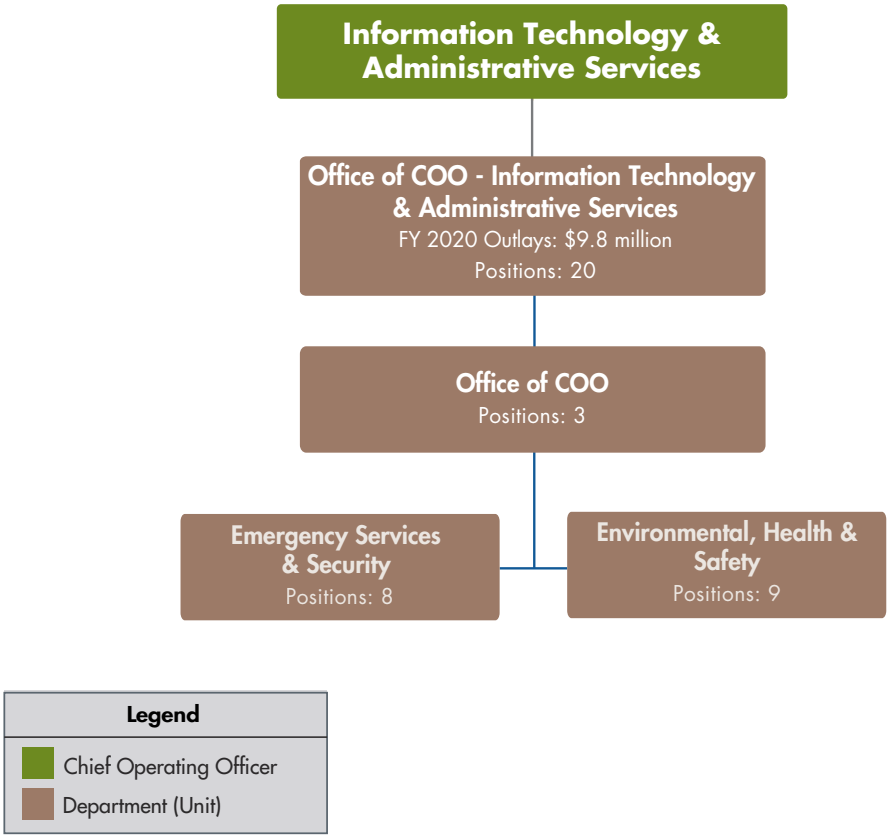
Administrative Services



Description

Information Technology & Administrative Services support the mission of the Santa Clara Valley Water District - to provide Silicon Valley safe, clean water for a healthy life, environment, and economy - by providing essential business services for Valley Water including general services such as Procurement and Contracting; Fleet equipment and facilities maintenance; Emergency Services and Security; Environmental Health & Safety; Business Customer Service and Warehouse and Information Technology services and support. Information Technology & Administrative Services are vital to Valley Water operations and capital programs.

Office of COO Administrative Services



Division Description and Objectives

The Office of the Chief Operating Officer (COO) of Information Technology & Administrative Services (IT & AS) provides executive leadership and direct oversight to administrative business areas including General Services, and Information Technology. The Office of the COO - IT & AS is responsible for ensuring that administrative functions are operated efficiently and effectively, in accordance with the goals and policies established by the Board of Directors and the Chief Executive Officer. The COO - IT & AS also oversees Emergency & Security Services, and administers Environmental, Health & Safety.

Emergency Services and Security

This department includes the Office of Emergency Services and the Security Office.The Office of Emergency Services (OES) is responsible for ensuring comprehensive, integrated, risk-based, emergency management for the staff and critical infrastructure of the Santa Clara Valley Water District. OES also leads District-wide development of applicable preparedness capabilities across prevention, preparedness, hazard mitigation, business continuity, response, and recovery.

The Security Office (SO) provides risk-based security capabilities that are developed through a preparedness cycle of analysis, development, planning, and verification. These capabilities are provided utilizing guard force, patrols, remote monitoring capabilities, and a Security Operations Center to prevent and protect Valley Water's critical infrastructure and staff from terrorism, sabotage, vandalism, theft, violence, and other malicious acts. SO also provides Valley Water with a liaison to local, regional, state and federal law enforcement and intelligence agencies.

Environmental, Health & Safety

As part of Valley Water's Administration function, the Environmental, Health & Safety (EH&S) Unit provides services for all Valley Water Divisions and staff. These services cover a wide range of activities including environmental, health and safety written program development and maintenance, technical and behavioral safety training, incident investigation services, ergonomic evaluations and corrective measures, contractor safety program evaluation, inspection and audit services and support, hazard analysis and risk prevention services, fall protection surveys and fall hazard mitigation, Department of Transportation driver safety program, and alcohol and drug abuse prevention and testing services.The EH&S Unit also provides industrial hygiene services such as lead, asbestos, and mold testing services, building indoor air quality assessments and environmental lab testing services coordination, audiometric testing and workplace sound level surveys, respiratory protection services including on-site respiratory fit testing services, ventilation surveys, and bloodborne pathogens and biological hazard surveys and assessments.The EH&S Unit is responsible for hazardous materials storage management, hazardous waste storage and disposal management, electronic waste and recycling compliance and annual report submittal, underground and above ground storage tank inspections and permitting, Hazardous Materials Business Plans development and submittal, environmental regulatory facilities permit management, 24/7 hazardous materials emergency response capabilities, Spill Prevention Control and Countermeasure oil storage management planning development, California Accidental Release Program management for highly hazardous materials, Portable Equipment Registration Program management, gasoline systems annual air emissions testing coordination.

Additionally, the Environmental, Health and Safety (EH&S) Unit responds to requests from customers for specific health and safety services consultation and program assistance to ensure that Valley Water's health and safety programs are functional and sustainable. EH&S staff also act as Valley Water's liaison with applicable regulatory agencies when required.

FY 2019 Accomplishments

- Provided leadership and support for all the administrative needs of Valley Water including oversight over Information Technology, General Services, Emergency Management and Security Services, and Environmental, Health & Safety.
- Emergency Operations Plan underwent major update and was adopted by the Board of Directors 8/14/18
- EOC Responder Handbook developed
- Conducted Annual Winter Preparedness Workshop
- Activated 2 storm related EOC activations on 2/1/19 and 2/13/19
- Joint EAP with San Jose updated, which now includes annexes for Guadalupe, Ross and Canoas Creeks
- Led Emerging Leaders team in development of Stream/Flood EAPs for West Little Llagas Creek and Uvas Creek
- Threat Assessment developed based on data from 2017 and 2018
- Conducted district-wide assessment of physical security system
- Developed a situational awareness reporting system for field personnel
- Completed 1st phase of Threat Hazard Identification and Risk Analysis (THIRA), based on natural hazards
- Updated the Almaden Campus Post Orders for security
- Updated emergency evacuation program, including installation of new assembly area signage and the creation of a new training video.
- Brought online a new Chemical Safety Data Sheet and Inventory System.
- Purchased a new safety equipment inventory system to track equipment and inspection dates.
- Created a new risk assessment tool for Job Safety Assessments and incident investigations.

FY 2020 Milestones

- Review, approve and present the status of Information Technology & Administrative Services annual performance.
- Develop Flood/Stream EAP for San Tomas Aquino Creek
- Develop and deliver exercises as identified in Training and Exercise Plan
- Maintain Valley Water's Emergency Operations Center (EOC) and Alternate EOC in a perpetual state of operational readiness
- Conduct inter-agency Winter Preparation Workshop
- Based on district wide assessment of physical security system, develop plan to upgrade or replace current system
- Develop and conduct Security Exercise for Anderson Dam, based on Anderson Dam Security Plan
- Develop 2nd phase of THIRA, based on man-made hazards
- Update Water Treatment Plan Post Orders for security
- Conduct a minimum of 12 Tier II safety inspections by June 30.
- Complete a minimum of four annual fire evacuation drills at major occupied facilities by June 30.
- Conduct a minimum of 30 required safety training classes in-house by June 30.
- Conduct a minimum of 12 Job Safety Assessments by June 30.

- Provide quarterly updates to Valley Water's Safe Clean Water Project B5 webpage.

Office of COO Administrative Services — Budget Summary

Project Type (Category)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Operations	8,607,637	9,660,279	9,712,598	52,319	1%
Operating	0	0	0	0	1%
Capital	31,762	17,908	106,002	88,095	492%
Total *	**8,639,399**	**9,678,187**	**9,818,601**	**140,414**	**1%**

Department (Unit)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Security & Emergency Services	3,564,755	4,195,447	5,241,835	1,046,388	25%
Environmental, Health & Safety	3,390,894	3,942,352	3,516,841	(425,511)	-11%
Office of COO-IT & Administrative Services	1,683,750	1,540,387	1,059,924	(480,463)	-31%
Total *	**8,639,399**	**9,678,187**	**9,818,601**	**140,414**	**1%**

* Totals includes intra-district reimbursement charges.

Authorized Positions (excluding fellowships)

Office of Chief Administrative Officer	**22**	**23**	**20**	**(3)****

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

Operations Budget by Department and Account Category

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Security & Emergency Services					
	Salaries & Benefits	1,057,465	1,547,422	1,578,936	31,514
	Services & Supplies	2,038,554	2,024,100	2,951,837	927,737
	Capital Expenditures	5,112	0	0	0
	Intra District Charges	456,070	613,925	605,060	(8,865)
Security & Emergency Services (219) Total		**3,557,200**	**4,185,447**	**5,135,833**	**950,386**
Office of COO-IT & Administrative Services					
	Salaries & Benefits	1,231,338	1,009,812	723,224	(286,588)
	Services & Supplies	243,608	399,650	237,850	(161,800)
	Intra District Charges	208,611	130,925	98,850	(32,075)
Office of COO-IT & Administrative Services (602) Total		**1,683,556**	**1,540,387**	**1,059,924**	**(480,463)**
Environmental, Health & Safety					
	Salaries & Benefits	1,634,166	1,931,078	1,772,749	(158,329)
	Services & Supplies	766,383	843,911	808,121	(35,790)
	Intra District Charges	966,332	1,159,455	935,971	(223,484)
Environmental, Health & Safety (916) Total		**3,366,880**	**3,934,444**	**3,516,841**	**(417,603)**
Operations Total*		**8,607,637**	**9,660,279**	**9,712,598**	**52,319**

Capital Budget by Department and Account Category

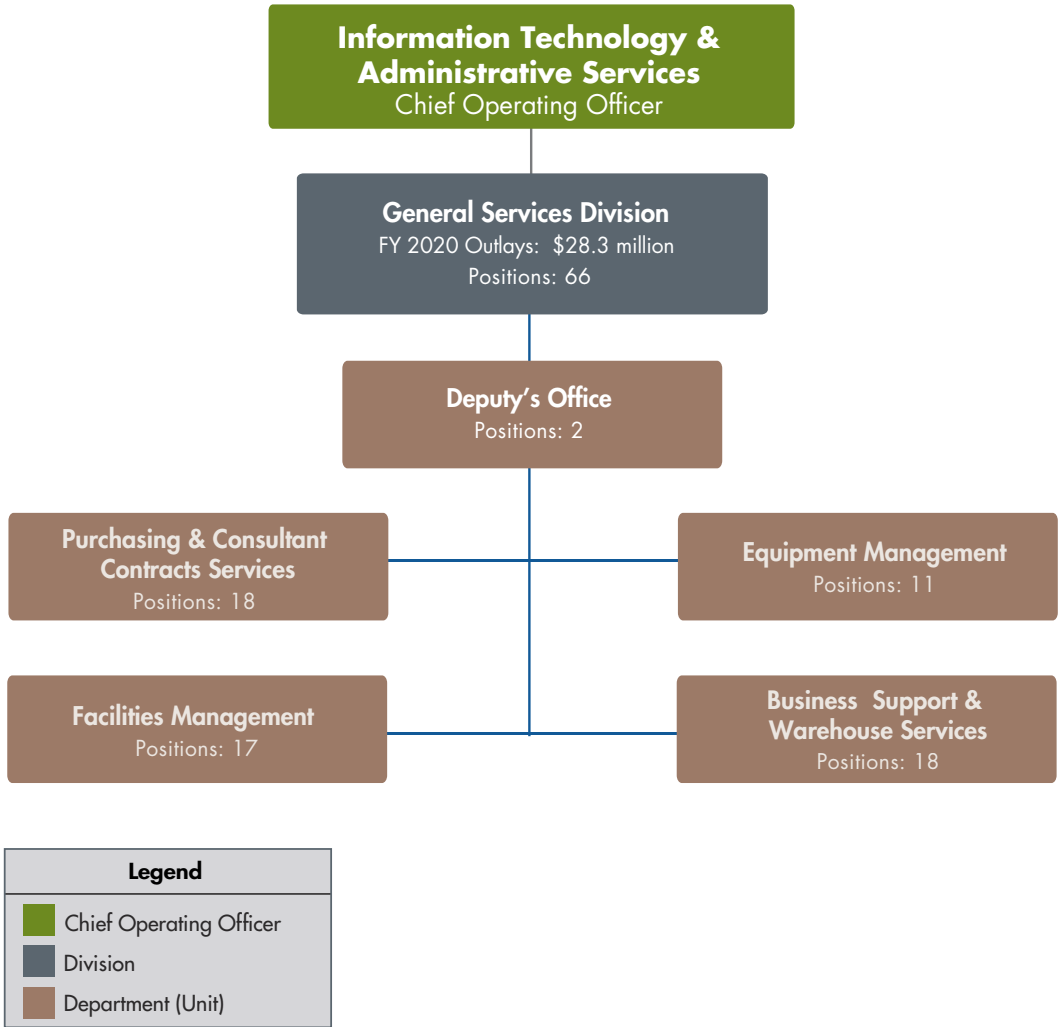
Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Security & Emergency Services					
	Salaries & Benefits	0	0	3,850	3,850
	Services & Supplies	7,555	10,000	100,000	90,000
	Intra District Charges	0	0	2,152	2,152
Security & Emergency Services (219) Total		**7,555**	**10,000**	**106,002**	**96,002**
Office of COO-IT & Administrative Services					
	Salaries & Benefits	194	0	0	0
Office of COO-IT & Administrative Services (602) Total		**194**	**0**	**0**	**0**
Environmental, Health & Safety					
	Salaries & Benefits	16,290	4,798	0	(4,798)

Capital Budget by Department and Account Category (Continued)

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
	Intra District Charges	7,724	3,109	0	(3,109)
Environmental, Health & Safety (916) Total		**24,014**	**7,908**	**0**	**(7,908)**
Capital Total*		**31,762**	**17,908**	**106,002**	**88,095**
Division Total*		**8,639,399**	**9,678,187**	**9,818,601**	**140,414**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

General Services Division



Division Description and Objectives

The General Services Division provides management and administration of the following departments:

Business Support, and Warehouse Services

Business Support & Warehouse Services provides operational support including receptionist/switchboard, mail delivery, reprographic, word processing, and forms, and inventory control services. It serves as the central receiving and distribution point for the organization.

Purchasing and Consultant Contracts Services

Purchasing, Consultant Contract department purchases all goods and services, procures consultant contracts serves.

Equipment Management

Equipment Management Department provides District-wide fleet and welding services.

Facilities Management

Facilities Management Department maintains, renews, and upgrades Valley Water buildings and grounds.

FY 2019 Accomplishments

- The Business Support and Warehouse Services Department replaced aging infrastructure with new reprographics production machines to produce higher quality output, transitioned to a digital guest check-in interface for each lobby, and created a plan for streamlining warehouse operations in preparation for the new enterprise resource planning system.
- The Purchasing and , Consultant Contracts Department implemented new electronic Purchase Requisition forms and eFiling processes, hosted a Business Open House in August 2018 to encourage networking of small and large businesses, and , which is a networking event with the local business community designed to share information on upcoming business opportunities in support of Valley Water projects and programs implemented the new Contract Process Improvements in order to streamline and reduce time requirements for contract processing and approvals.
- The Equipment Management Department surpluses, replaced 14 vehicles and 22 pieces of construction equipment in accordance with the 12-year or 125,000-mile replacement criteria, and achieved 97.9% preventive maintenance compliance on light duty vehicles.
- The Facilities Department identified recommendations for the Employee Workspace project to achieve maximizing work space and achieving operational facilities related efficiencies; upgraded the electric-vehicle charging stations on the Almaden Campus; conducted South County Yard seismic and building condition assessments; transitioned to a new Cafeteria Services Vendor, including carrying out cafeteria equipment and facility upgrades; completed the build-out of the Santa Teresa Office to prepare for staffing of the Enterprise Resource Project; completed the installation and staff moves to the new Winfield Vegetation Trailers; completed all planning and implementation of workspaces for approximately 65 new college and high school interns; planned and initiated various upgrades to frequently used conference rooms; initiated the development of 2 high-impact processes for Work Order Management and Space Planning; and designed and implemented a new on-line intake system for customer service requests.

FY 2020 Milestones

Highlights of the General Services Division milestones include the following.

- The Business Support & Warehouse Department will transition to eSignature technology to enable faster processing of forms, produce high quality word processing deliverables for a heavy CIP year, and will eliminate inactive inventory to increase efficiency in the annual physical inventory.
- The Purchasing and Consultant Contracts Department will implement process improvements to be aligned with best practices for purchasing and contracts work efforts, further leverage the use of technology by aligning business practices with the development of the new ERP, and further explore and implement programs to expand small business outreach efforts in addition to the annual Business Open House.
- The Equipment Management Department will surplus and replace 11 vehicles and 20 pieces of construction equipment in accordance with the 12-year or 125,000-mile replacement criteria.
- The Facilities Management Unit will continue planning for and initiating 110-staff moves from the Maintenance Building to the Administration Building; complete upgrades to the Cafeteria; plan for and transition to a new vending services provider; and complete conference room upgrades.

Budget Issues and Constraints

Constraints of the General Services Division include funding to address deferred small capital projects. Valley Water's facilities are fully occupied thus there is no extra space to locate new employees. This constraint on the space requires that Valley Water consider new approaches taking into consideration cost of adding new work space, use of technology, new approaches to work to maximize efficiencies. Additional constraints include uncertainty of fuel costs, unexpected natural disasters such as flooding or wildfires to provide support to field operations.

General Services Division — Budget Summary

Project Type (Category)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Operations	19,974,397	22,362,794	24,112,766	1,749,972	8%
Operating	0	0	0	0	8%
Capital	2,856,334	5,754,966	4,215,766	(1,539,199)	-27%
Total *	**22,830,731**	**28,117,759**	**28,328,532**	**210,773**	**1%**

Department (Unit)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Purchasing, Consultant Contracts Services	5,057,536	6,399,804	4,786,413	(1,613,390)	-25%
Business Support and Warehouse	3,333,615	3,359,722	5,132,406	1,772,684	53%
Facilities Management	8,376,484	10,583,477	10,563,694	(19,783)	0%
Deputy's Office of General Services Division	396,096	495,980	535,518	39,538	8%
Equipment Management	5,667,000	7,278,777	7,310,501	31,724	0%
Total *	**22,830,731**	**28,117,759**	**28,328,532**	**210,773**	**1%**

* Totals includes intra-district reimbursement charges.

Authorized Positions (excluding fellowships)

General Services Division	**65**	**64**	**66**	**2****

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

Operations Budget by Department and Account Category

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Business Support and Warehouse					
	Salaries & Benefits	1,644,686	1,991,240	2,707,351	716,111
	Services & Supplies	1,386,590	1,121,706	1,726,088	604,382
	Capital Expenditures	8,816	0	0	0
	Intra District Charges	292,566	246,777	688,174	441,397
Business Support and Warehouse (775) Total		**3,332,658**	**3,359,722**	**5,121,613**	**1,761,890**
Deputy's Office of General Services Division					
	Salaries & Benefits	343,708	421,960	462,347	40,387
	Services & Supplies	4,882	18,500	10,100	(8,400)
	Intra District Charges	47,506	55,520	63,070	7,551
Deputy's Office of General Services Division (802) Total		**396,096**	**495,980**	**535,518**	**39,538**
Purchasing, Consultant Contracts Services					
	Salaries & Benefits	2,928,384	3,036,839	3,399,098	362,258
	Services & Supplies	1,226,886	1,608,545	676,414	(932,131)
	Capital Expenditures	2,944	0	0	0
	Intra District Charges	877,034	870,378	678,196	(192,182)
Purchasing, Consultant Contracts Services (820) Total		**5,035,247**	**5,515,762**	**4,753,707**	**(762,055)**
Equipment Management					
	Salaries & Benefits	1,792,097	2,040,201	1,818,340	(221,861)
	Services & Supplies	1,791,358	2,201,168	2,366,700	165,532
	Intra District Charges	1,089,519	1,220,408	928,462	(291,946)
Equipment Management (885) Total		**4,672,974**	**5,461,777**	**5,113,501**	**(348,276)**
Facilities Management					
	Salaries & Benefits	2,246,588	2,562,527	3,116,326	553,799
	Services & Supplies	3,761,592	4,344,319	4,767,664	423,345
	Capital Expenditures	86,939	120,000	120,000	0
	Intra District Charges	442,302	502,707	584,437	81,731
Facilities Management (887) Total		**6,537,421**	**7,529,553**	**8,588,427**	**1,058,874**
Operations Total*		**19,974,397**	**22,362,794**	**24,112,766**	**1,749,972**

Capital Budget by Department and Account Category

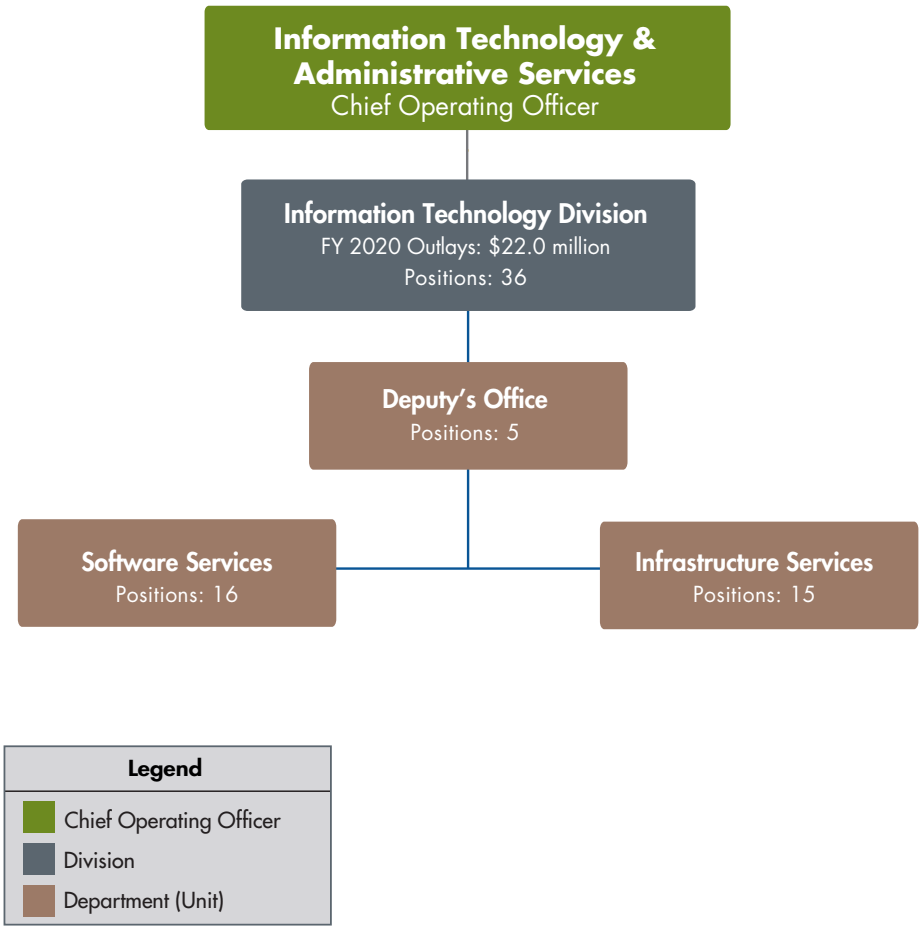
Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Business Support and Warehouse					

Capital Budget by Department and Account Category (Continued)

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
	Salaries & Benefits	957	0	7,068	7,068
	Intra District Charges	0	0	3,725	3,725
Business Support and Warehouse (775) Total		**957**	**0**	**10,794**	**10,794**
Deputy's Office of General Services Division					
Deputy's Office of General Services Division (802) Total		**0**	**0**	**0**	**0**
Purchasing, Consultant Contracts Services					
	Salaries & Benefits	14,402	518,220	11,573	(506,647)
	Intra District Charges	7,887	365,822	21,133	(344,688)
Purchasing, Consultant Contracts Services (820) Total		**22,289**	**884,042**	**32,706**	**(851,335)**
Equipment Management					
	Salaries & Benefits	9,102	0	0	0
	Services & Supplies	14,013	60,000	60,000	0
	Intra District Charges	2,525	0	0	0
	Capital Expenditures	968,386	1,757,000	2,137,000	380,000
Equipment Management (885) Total		**994,025**	**1,817,000**	**2,197,000**	**380,000**
Facilities Management					
	Salaries & Benefits	86,620	36,997	28,811	(8,187)
	Services & Supplies	1,712,941	3,008,600	1,929,690	(1,078,910)
	Intra District Charges	16,661	8,327	16,766	8,439
	Capital Expenditures	22,841	0	0	0
Facilities Management (887) Total		**1,839,063**	**3,053,924**	**1,975,267**	**(1,078,657)**
Capital Total*		**2,856,334**	**5,754,966**	**4,215,766**	**(1,539,199)**
Division Total*		**22,830,731**	**28,117,759**	**28,328,532**	**210,773**

* Totals reflect the gross budget and includes intra-district reimbursement charges.

Information Technology Division



Division Description and Objectives

The Information Technology Division serves the technology needs of Valley Water, enabling business users to carry out their work efficiently, effectively, and securely. We do so by providing planning, design, and operational support and maintenance of Valley Water's: (1) physical technology infrastructure; (2) cyber security posture; and (3) software application portfolio.

The Division's objectives are:

- Effectively manage the delivery of Valley Water's technology services;
- Guide technology decision-making to ensure consistency with Valley Water's business direction;
- Ensure a skilled, responsive, and innovative workforce that keeps current with critical evolving business technologies; and
- Provide high quality customer service.

Administration

The Information Technology Division Administration provides management oversight, leadership and strategic support of Infrastructure and Information Security Services, and Software Services, to ensure effectiveness and fiscal accountability.

Infrastructure Services

Infrastructure Services is responsible for: (1) implementing and maintaining the network and data center, cyber security posture, Valley Water's computers, systems software, and connectivity (e.g., servers, networks, etc.); (2) serving as the first point of contact for staff to report problems and seek answers to questions related to their personal computers, network access, email, personal productivity software, and business application software; and (3) triaging, resolving, and escalating problems.

Software Services

Software Services sources, develops (where appropriate), supports, and maintains Valley Water's business applications. These include Enterprise Resources Planning (ERP) system, work and asset management system (Maximo), geographic information system (GIS), in-house applications, and Valley Water's web site and intranet.

FY 2019 Accomplishments

- Completed 3-5 year IT Strategic Plan and began to use it as a blue print for operations and new initiatives.
- Completed RFP for new the Enterprise Resource Planning System (ERP) and began preparing for implementation.
- Designed and implemented the fisheries module of the Environmental Monitoring and Information Management System (EM-IMS) and began work on the vegetation module.
- Completed Raw Water Maintenance Maximo site implementation.
- Completed Water Supply Planning Database.
- Completed Board Room Audio/Visual upgrades.
- Completed conference room computer and screen/projector upgrades and installed Evoko conference room scheduling touchscreens.
- Rolled out a new smartphone program to Valley Water users.
- Completed POC and began implementing e-litigation and e-discovery system.
- Began work to retire Valley Water's email archival system and migrate email to Exchange Online.
- Began requirement process to replace Valley Water's outdated phone system with Voice Over IP Telephones.

FY 2020 Milestones

- Implement planned projects in the IT strategic plan.
- Implement the new ERP for Finance, Human Capital, Procurement, and Contract Services.
- Implement vegetation module of the Environmental Monitoring and Information Management System (EM-IMS).
- Complete retirement of the email archival system and migration of email to Exchange Online.
- Complete POC of Water Utility Server Virtualization.

- Begin conversion to Voice Over IP Telephones.
- Roll out collaboration suite software.
- Implement Network Operations Center.
- Begin implementation of new Customer Relationship Management (CRM) system.
- Begin implementation of pilot Enterprise Content Management (ECM) system.
- Evaluate desktop and web application needs and provided solutions (Ongoing).

Budget Issues and Constraints

The Information Technology Division budget issues and constraints pertain to balancing resources to accomplish both short- and long-term goals of Valley Water:

- Having sufficient and appropriate staffing resources to support Valley Water's growing technology infrastructure and to become a more digital organization.
- Organizational willingness and readiness to change business processes to leverage the new technology, and to jointly own technology projects with the IT Division.

Information Technology Division — Budget Summary

Project Type (Category)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Operations	11,578,324	15,564,118	17,710,740	2,146,623	14%
Operating	21,950	0	10,181	10,181	14%
Capital	5,714,065	13,852,862	4,252,076	(9,600,787)	-69%
Total *	**17,314,338**	**29,416,980**	**21,972,998**	**(7,443,983)**	**-25%**

Department (Unit)	FY 2018 Budgetary Actuals	FY 2019 Adopted Budget	FY 2020 Adopted Budget	FY 2020 Change $	FY 2020 Change %
Software Services	5,717,330	7,859,985	8,875,409	1,015,424	13%
Infrastructure Services	9,961,935	11,768,245	12,025,820	257,575	2%
Deputy's Office of Information Technology Division	1,635,074	9,788,751	1,071,769	(8,716,982)	-89%
Total *	**17,314,338**	**29,416,980**	**21,972,998**	**(7,443,983)**	**-25%**

* Totals includes intra-district reimbursement charges.

Authorized Positions (excluding fellowships)

Information Technology Division	**39**	**37**	**36**	**(1)****

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

Operations Budget by Department and Account Category

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Deputy's Office of Information Technology Division					
	Salaries & Benefits	658,997	643,884	1,093,130	449,246
	Services & Supplies	125,450	65,843	139,850	74,007
	Intra District Charges	87,578	345,584	484,890	139,307
Deputy's Office of Information Technology Division (715) Total		**872,024**	**1,055,311**	**1,717,870**	**662,560**
Software Services					
	Salaries & Benefits	3,196,930	3,221,948	3,183,446	(38,502)
	Services & Supplies	1,422,281	1,901,827	2,836,478	934,651
	Intra District Charges	521,861	1,710,269	1,421,605	(288,664)
Software Services (725) Total		**5,141,072**	**6,834,044**	**7,441,530**	**607,486**
Infrastructure Services					
	Salaries & Benefits	2,481,520	2,474,388	2,592,106	117,717
	Services & Supplies	2,769,489	3,933,510	4,840,460	906,950
	Intra District Charges	334,196	1,266,865	1,128,956	(137,909)
	Capital Expenditures	1,973	0	0	0
Infrastructure Services (735) Total		**5,587,178**	**7,674,763**	**8,561,522**	**886,759**
Operations Total*		**11,600,274**	**15,564,118**	**17,720,922**	**2,156,804**

Capital Budget by Department and Account Category

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
Deputy's Office of Information Technology Division					
	Salaries & Benefits	273,931	350,439	0	(350,439)
	Services & Supplies	327,110	8,083,896	(646,101)	(8,729,997)
	Capital Expenditures	0	102,000	0	(102,000)
	Intra District Charges	162,008	197,105	0	(197,105)
Deputy's Office of Information Technology Division (715) Total		**763,049**	**8,733,440**	**(646,101)**	**(9,379,541)**
Software Services					
	Salaries & Benefits	226,798	355,701	924,182	568,481
	Services & Supplies	216,514	475,000	283,671	(191,329)
	Capital Expenditures	0	0	100,000	100,000
	Intra District Charges	132,946	195,239	126,026	(69,214)
Software Services (725) Total		**576,258**	**1,025,940**	**1,433,879**	**407,938**
Infrastructure Services					

Capital Budget by Department and Account Category (Continued)

Department	Account Category	FY 2018 Budgetary Actual	FY 2019 Adopted $	FY 2020 Adopted $	FY 2020 Change $
	Salaries & Benefits	247,955	238,425	304,095	65,670
	Services & Supplies	1,169,941	403,600	1,115,083	711,483
	Capital Expenditures	2,822,114	3,322,900	1,906,400	(1,416,500)
	Intra District Charges	134,747	128,556	138,720	10,163
Infrastructure Services (735) Total		**4,374,757**	**4,093,482**	**3,464,298**	**(629,184)**
Capital Total*		**5,714,065**	**13,852,862**	**4,252,076**	**(9,600,787)**
Division Total*		**17,314,338**	**29,416,980**	**21,972,998**	**(7,443,983)**

* Totals reflect the gross budget and includes intra-district reimbursement charges.



Fund Summaries

FY 2019-20

Operating and Capital Budget

WATERSHED MANAGEMENT FUNDS

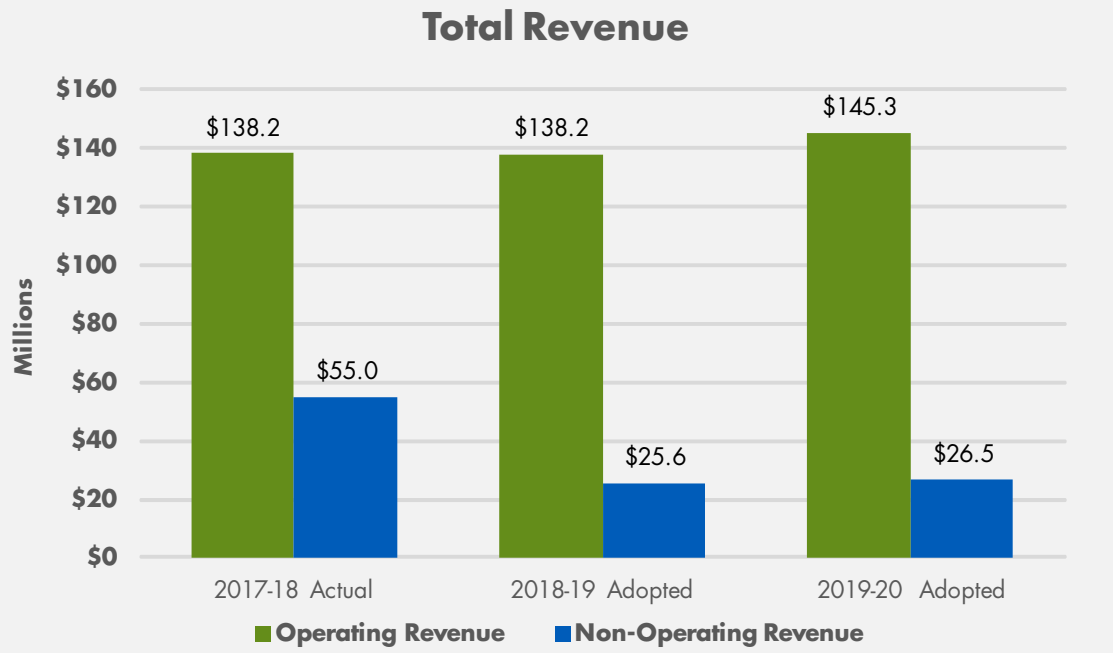
Overview

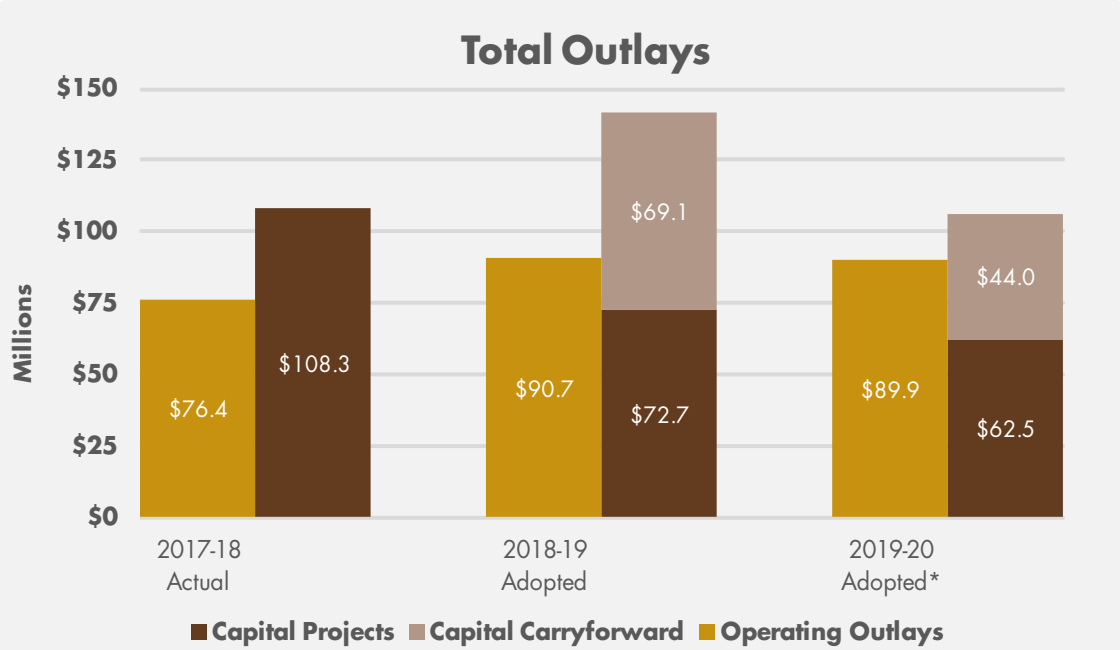
The Board of Directors defines Watershed stewardship as the management of natural resources in a manner that fosters ecosystem health, improved water quality, flood protection and compatible recreational opportunities. The Watersheds Chief Operating Officer leads the implementation of the watershed stewardship program with three funding sources:

- Watershed and Stream Stewardship (Fund 12)
- Safe, Clean Water and Natural Flood Protection (Fund 26)
- Benefit Assessment Funds (Fund 21, 22, 23, 24, and 25)

Financial summaries and a description of programs and outcomes from these funds can be found in this chapter.

Watershed Management Funds





*Capital projects includes current year budget and prior year capital budget carry forward in the lighter shade

Watershed Management Funds Summary

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted $ Diff	Change from 2018-19 Adopted % Diff
REVENUE						
Operating Revenue						
Benefit Assessment	$ 14,773,481	$ 14,778,000	$ 14,778,000	$ 13,444,678	$ (1,333,322)	(9.0)%
Property Tax	79,538,023	79,160,985	84,605,179	86,087,955	6,926,970	8.8%
Parcel Tax	42,487,520	43,998,000	43,998,000	45,537,000	1,539,000	3.5%
Intergovermental Services	1,314,585	—	—	—	—	—
Operating Other	129,451	240,000	240,000	247,000	7,000	2.9%
Total Operating Revenue	**$ 138,243,060**	**$ 138,176,985**	**$ 143,621,179**	**$ 145,316,633**	**$ 7,139,648**	**5.2%**
Non-Operating Revenue						
Capital Reimbursements	$ 46,416,206	$ 21,569,000	$ 20,999,000	$ 20,762,000	$ (807,000)	(3.7)%
Interest Income *	3,963,325	2,648,000	4,600,000	4,390,000	1,742,000	65.8%
Non-Operating Other	4,580,705	1,376,000	1,376,000	1,366,000	(10,000)	(0.7)%
Total Non-Operating Revenue	**$ 54,960,236**	**$ 25,593,000**	**$ 26,975,000**	**$ 26,518,000**	**$ 925,000**	**3.6%**
TOTAL REVENUE	**$ 193,203,296**	**$ 163,769,985**	**$ 170,596,179**	**$ 171,834,633**	**$ 8,064,648**	**4.9%**
OUTLAYS						
Operating Outlays						
Operations **	$ 57,769,997	$ 67,250,421	$ 68,898,409	$ 69,626,224	$ 2,375,803	3.5%
Operating Project	6,125,302	6,660,666	6,660,666	5,995,559	(665,107)	(10.0)%
Debt Service	12,551,744	16,827,272	13,339,872	14,254,808	(2,572,464)	(15.3)%
Total Operating Outlays	**$ 76,447,043**	**$ 90,738,359**	**$ 88,898,947**	**$ 89,876,591**	**$ (861,768)**	**(0.9)%**
Capital Outlays						
Capital Projects	$ 108,301,798	$ 72,661,202	$ 138,256,219	$ 62,455,317	$ (10,205,885)	(14.0)%
Carry Forward Capital Projects	—	69,099,983	—	43,996,000	(25,103,983)	(36.3)%
Total Capital Outlays	**$ 108,301,798**	**$ 141,761,185**	**$ 138,256,219**	**$ 106,451,317**	**$ (35,309,868)**	**(24.9)%**
TOTAL OUTLAYS**	**$ 184,748,841**	**$ 232,499,544**	**$ 227,155,166**	**$ 196,327,908**	**$ (36,171,636)**	**(15.6)%**
OTHER FINANCING SOURCES/(USES)						
Bond Proceeds	$ —	$ —	$ —	$ —	$ —	—
Certificates of Participation	3,457,481	—	5,434,000	—	—	—
Commercial Paper Proceeds	30,000,000	110,000,000	30,000,000	—	(110,000,000)	(100.0)%
Transfers In	14,037,152	4,596,128	4,510,883	20,866,330	16,270,202	354.0%
Transfers Out	(5,120,709)	(6,078,305)	(8,021,816)	(23,754,530)	(17,676,225)	290.8%
TOTAL OTHER SOURCES/(USES)	**$ 42,373,924**	**$ 108,517,823**	**$ 31,923,067**	**$ (2,888,200)**	**$ (111,406,023)**	**(102.7)%**
BALANCE AVAILABLE	**$ 50,828,379**	**$ 39,788,264**	**$ (24,635,920)**	**$ (27,381,475)**	**$ (67,169,739)**	**(168.8)%**
YEAR-END RESERVES						
Restricted Reserves						
SCW Currently Authorized Projects	$ 105,500,737	$ 16,134,748	$ 61,384,000	$ 25,418,000	$ 9,283,252	57.5%
SCW Operating and Capital Reserve	31,111,599	123,269,436	65,045,956	90,654,986	(32,614,450)	(26.5)%
Total Restricted Reserves	**$ 136,612,336**	**$ 139,404,184**	**$ 126,429,956**	**$ 116,072,986**	**$ (23,331,198)**	**(16.7)%**

Watershed Management Funds Summary (Continued)

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted $ Diff	Change from 2018-19 Adopted % Diff
Committed Reserves						
Currently Authorized Projects ***	$ 38,984,165	$ 6,357,396	$ 19,703,000	$ 11,673,000	$ 5,315,604	83.6%
Operating and Capital Reserve	74,688,993	70,230,488	79,516,618	70,522,113	291,625	0.4%
Total Committed Reserves	**$ 113,673,158**	**$ 76,587,884**	**$ 99,219,618**	**$ 82,195,113**	**$ 5,607,229**	**7.3%**
TOTAL YEAR-END RESERVES	**$ 250,285,494**	**$ 215,992,068**	**$ 225,649,574**	**$ 198,268,099**	**$ (17,723,969)**	**(8.2)%**
UNCOMMITED FUNDS			**$ —**	**$ —**		

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

Watershed and Stream Stewardship Fund

Description

The Watershed and Stream Stewardship Fund was created in FY 2000-01 as part of the Board of Directors' direction to balance the overall Flood Protection and Stream Stewardship Program. When created, this fund supported specific stewardship activities within the watersheds from a portion of Valley Water's ad valorem property tax allocation. Beginning in FY 2008-09, this fund was redefined to support all activities from the five watersheds funds supported by revenue from:

- All Valley Water's 1% ad valorem property tax allocation, except the portion allocated to Valley Water General Fund and Water Enterprise Fund
- Benefit assessments
- Capital reimbursement
- Intergovernmental revenue
- Interest revenue
- The revenues in the Watershed and Stream Stewardship Fund are used to provide:
- Environmentally responsible maintenance and construction of flood conveyance and ecological assets to preserve or improve flood protection, water quality, or environmental values including sediment removal; levee maintenance; erosion protection; debris removal; vegetation management; invasive species removal and control; Good Neighbor Maintenance, trash and graffiti removal; corrective maintenance, property, fence and road repairs
- Administration of the Water Resources Protection Ordinance to protect Valley Water assets
- Consultation with other agencies to manage flood risk and to protect ecological assets
- Emergency preparedness/response including sandbags and efforts to respond to or reduce the threat of floods
- Protection and improvement of water quality from urban runoff and other stream impairments
- Monitoring and assessing the condition and performance of both flood conveyance and environmental assets in the watersheds
- Public outreach and education
- Other program activities such as work improvement efforts, floodplain management, hydrology, safety training and workforce development

Preliminary targets for sediment removal, field condition assessments, levee maintenance and erosion protection are based on the Stream Maintenance Program-2 (SMP-2) Notice of Proposed Work (NPW) submitted to the regulatory agencies every year in April. The NPW consists of all potential work identified for that season. While Valley Water intends to complete all work listed in the NPW, some of the work may not be completed for numerous reasons, such as the ability to propose and implement required mitigation, timely receipt of regulatory agencies' approvals, changed site conditions, biological restrictions due to nesting birds, and other factors. Furthermore, an additional NPW may be submitted due to late-occurring work because of winter storms. Therefore, proposed quantities in this document are subject to change.

The FY 2019-20 budget includes two new positions to support mitigation of 10 acres of invasive plant management (Sr. Maintenance Worker) and the centralization of environmental services for watershed operations and maintenance (Sr. Water Resources Specialist). Furthermore, an additional position is partially funded by the Watershed and Stream Stewardship Fund (WSS) to develop and maintain Valley Water's Hydrology, Hydraulics and Geomorphology expertise.

Programs and projects are designed to fulfill each goal. Following each goal statement is a list of projects that are included in the FY 2019-20 budget.

Outcomes

Goal 3.1: Natural flood protection for residents, businesses, and visitors

Provide flood protection to the county's growing community by building flood protection projects and maintaining conveyance capacity of modified channels.

Major Capital Projects starting or continuing construction:

- Berryessa Creek Phase 2 from Lower Penitencia Creek to Calaveras Boulevard;
- Lower Silver Creek Reaches 4-6, I-680 to Cunningham Avenue;
- Berryessa Creek Phase 2B on lower Calera Creek;
- Lower Penitencia Creek from Berryessa Creek to Coyote Creek;
- Watersheds Asset Rehabilitation Program: Uvas Creek Levee Repair Phase 2, Lower Penitencia Creek Erosion Repair, and Baron Creek Erosion Repair; and
- Upper Llagas Creek, Buena Vista Road to Llagas Road.

Major Capital Projects in planning and design:

- Palo Alto Flood Basin Structure Improvements;
- Lower Penitencia Creek Improvements, Coyote Creek to San Andreas Drive;
- Watersheds Asset Rehabilitation Program: Calabazas Creek (Miller Ave. to Bollinger Rd.) Erosion Repair;
- Upper Penitencia Creek, Coyote Creek to Dorel Drive; and

Maintain conveyance capacity of modified channels:

- Effectively and efficiently maintain and operate flood water conveyance channels to design specifications including sustainable sediment management, vegetation management and debris removal;
- Remove an estimated 20,000 to 50,000 cubic yards of sediment;
- Control approximately over 2,310 acres of upland vegetation to allow access for sediment removal and levee maintenance;
- Inspect approximately 281 miles of creeks;
- Inspect approximately 100 miles of levees; and
- Perform maintenance on approximately 40,000 linear feet of levees.

Goal 3.2: Reduced potential for flood damages

Reduce the potential for flood damages by: preparing for and responding to flood emergencies; informing the public on flood awareness; implementing the Water Resources Protection Ordinance; implementing the Encroachment Remediation and Prevention Plan; consulting with and supporting external agencies for floodplain management; maintaining and improving our flood warning system. It includes providing approximately 40,000 filled sandbags and sending floodplain mailer to approximately 53,000 homes and businesses in flood-prone areas.

Goal: 4.1: Protect and restore creek, bay and other aquatic ecosystems

Protect and restore creek and bay ecosystems: managing mitigation and enhancement sites; monitoring the biological values along the creeks and bay; understanding the natural hydrology of the watersheds; responding to hazardous material incidents; educating residents on creek stewardship; conducting storm water runoff pollution prevention activities and continuing Good Neighbor Maintenance will remove trash from visible creek reaches, repair fences as needed for public safety, respond to requests for trash and graffiti removal within 5 working days and respond to Adopt-A-Creek trash pickups.

- Stabilize approximately 2,094 linear feet of stream banks.

Capital Projects:

- SSMP Mitigation and Stream and Watershed Protection Program, such as construction of Bolsa Fish Passage Improvement; design of Almaden Lake Improvements; Hale Creek Enhancement Pilot Study and Ogier Ponds Planning Study.

Goal: 4.2: Improved quality of life in Santa Clara County through trails and open space

Provide additional recreational opportunities by partnering with cities and the County to create Creekside trails and open space.

Goal: 4.3: Strive for zero net greenhouse gas emission or carbon neutrality

Identify and inventory Valley Water's carbon footprint and develop reduction strategies and support the county Green Business Program.

Fiscal Status

Property tax revenue is projected at $86.1 million, an 8.8% or $6.9 million increase from FY 2018-19.

Interest earnings are projected at $2.0 million, a 103.5% or $1 million increase from FY 2018-19.

Other Income of $1.6 million is budgeted for rental and other miscellaneous income.

Capital Reimbursement of $7.3 million is budgeted as follows:

- $5.0 million for Berryessa Creek, Lower Penitencia Creek to Calaveras Blvd.
- $2.3 million for San Francisco Bay Shoreline.

Operating Transfers in from Benefit Assessment Fund for the excess amount over the debt obligations is budgeted at $2.3 million

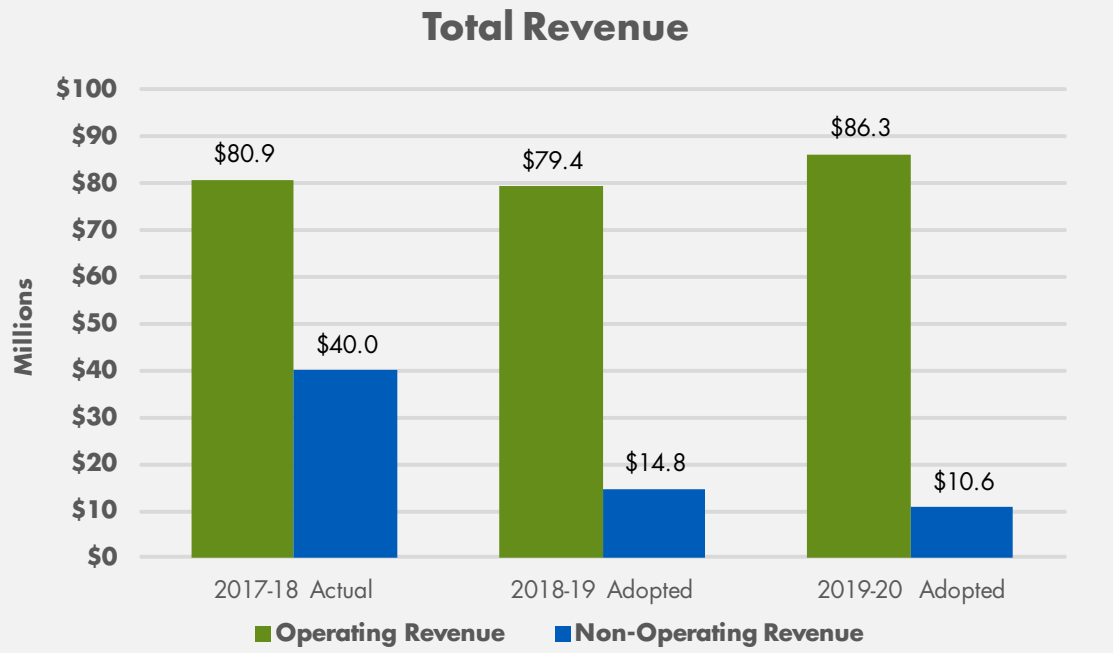
Operating Transfers out of $21.4 million from WSS fund is budgeted as follows:

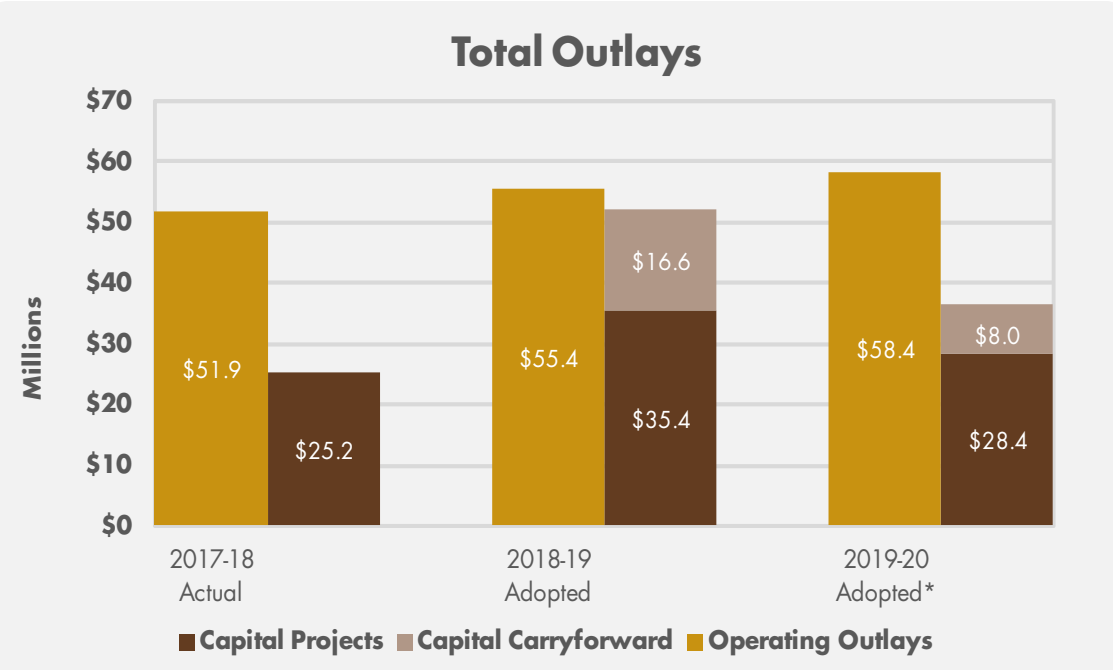
- $17.5 million to Safe Clean Water Fund (26) for Berryessa Creek
- $0.9 million to Safe Clean Water Fund (26), (90% of net rental income) for Encampment Cleanup Program
- $0.9 million to General Fund (11) for Drought Induced Tree Removal
- $0.5 million to Water Enterprise Fund (61) for Open Space Credit
- $1.6 million to Information Technology Fund (73) for IT capital projects costs

Budget Issues

- Implementation of the Stream Maintenance Program-2 continues to result in increasing demands for staff resources from multiple Operations and Maintenance units and mitigation requirements.
- Hazardous Tree program budget may require an adjustment if tree mortality rates continue to rise.
- The Watershed and Stream Stewardship fund is limited, and every year staff has identified more work than the fund can support.
- There continues to be an increased community demand for encampment cleanups. As a result, the project does not have adequate funding to meet the increased demand for services from the community and partner agencies. Valley Water is piloting a reduced-level of service approach, with WSS Fund supplementing the Safe, Clean Water Project B4 (Good Neighbor Program: Encampment Cleanup). The results of this pilot approach will be reported to the Board in FY 2019-20, with a recommendation regarding funding and levels of service for continued project implementation.

Watershed and Stream Stewardship Fund





*Capital projects includes current year budget and prior year capital budget carry forward in the lighter shade

Watershed and Stream Stewardship Fund Summary

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted $ Diff	Change from 2018-19 Adopted % Diff
REVENUE						
Operating Revenue						
Property Tax	$ 79,538,023	$ 79,160,985	$ 84,605,179	$ 86,087,955	$ 6,926,970	8.8%
Intergovernmental Services	1,222,018	—	—	—	—	—
Operating Other	129,451	240,000	240,000	247,000	7,000	2.9%
Total Operating Revenue	**$ 80,889,492**	**$ 79,400,985**	**$ 84,845,179**	**$ 86,334,955**	**$ 6,933,970**	**8.7%**
Non-Operating Revenue						
Capital Reimbursements	$ 34,159,156	$ 12,443,000	$ 7,381,000	$ 7,286,000	$ (5,157,000)	(41.4)%
Interest Income *	1,551,231	978,000	2,100,000	1,990,000	1,012,000	103.5%
Nonoperating Other	4,256,430	1,376,000	1,376,000	1,366,000	(10,000)	(0.7)%
Total Non-Operating Revenue	**$ 39,966,817**	**$ 14,797,000**	**$ 10,857,000**	**$ 10,642,000**	**$ (4,155,000)**	**(28.1)%**
TOTAL REVENUE	**$ 120,856,309**	**$ 94,197,985**	**$ 95,702,179**	**$ 96,976,955**	**$ 2,778,970**	**2.9%**
OUTLAYS						
Operating Outlays						
Operations **	$ 47,632,688	$ 52,043,565	$ 52,236,615	$ 55,694,912	$ 3,651,347	7.0%
Operating Project	4,257,235	3,343,965	3,343,965	2,658,659	(685,306)	(20.5)%
Total Operating Outlays	**$ 51,889,923**	**$ 55,387,530**	**$ 55,580,580**	**$ 58,353,571**	**$ 2,966,041**	**5.4%**
Capital Outlays						
Capital Projects	$ 25,206,537	$ 35,440,414	$ 54,721,579	$ 28,446,419	$ (6,993,995)	(19.7)%
Carry Forward Capital Projects	—	16,568,975	$	8,030,000	(8,538,975)	(51.5)%
Total Capital Outlays	**$ 25,206,537**	**$ 52,009,389**	**$ 54,721,579**	**$ 36,476,419**	**$ (15,532,970)**	**(29.9)%**
TOTAL OUTLAYS**	**$ 77,096,460**	**$ 107,396,919**	**$ 110,302,159**	**$ 94,829,990**	**$ (12,566,929)**	**(11.7)%**
OTHER FINANCING SOURCES/(USES)						
Certificates of Participation	$ —	$ —	$ 3,034,000	$ —	$ —	—
Transfers In	2,659,152	2,567,128	2,567,128	2,291,530	(275,598)	(10.7)%
Transfers Out	(2,461,557)	(3,511,177)	(5,454,688)	(21,463,000)	(17,951,823)	511.3%
TOTAL OTHER SOURCES/(USES)	**$ 197,595**	**$ (944,049)**	**$ 146,440**	**$ (19,171,470)**	**$ (18,227,421)**	**1,930.8%**
BALANCE AVAILABLE	**$ 43,957,444**	**$ (14,142,983)**	**$ (14,453,540)**	**$ (17,024,505)**	**$ (2,881,522)**	**20.4%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects ***	$ 38,984,165	$ 6,357,396	$ 19,703,000	$ 11,673,000	$ 5,315,604	83.6%
Operating and Capital Reserve	74,688,993	70,230,488	79,516,618	70,522,113	291,625	0.4%
Total Committed Reserves	**$ 113,673,158**	**$ 76,587,884**	**$ 99,219,618**	**$ 82,195,113**	**$ 5,607,229**	**7.3%**
TOTAL YEAR-END RESERVES	**$ 113,673,158**	**$ 76,587,884**	**$ 99,219,618**	**$ 82,195,113**	**$ 5,607,229**	**7.3%**
UNCOMMITED FUNDS			**$ —**	**$ —**		

Watershed and Stream Stewardship Fund Summary (Continued)

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted $ Diff	Change from 2018-19 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries & Benefits	$ 21,747,530	$ 23,400,997	$ 23,400,997	$ 26,964,472	$ 3,563,475	15.2%
Salaries Savings Factor	—	(630,636)	(630,636)	(732,894)	(102,258)	16.2%
Services & Supplies	15,059,798	16,874,893	17,067,943	16,326,100	(548,793)	(3.3)%
Intra-District Charges	15,082,595	15,742,276	15,742,276	15,795,892	53,616	0.3%
OPERATING OUTLAY TOTAL	**$ 51,889,923**	**$ 55,387,530**	**$ 55,580,580**	**$ 58,353,570**	**$ 2,966,040**	**5.4%**
CAPITAL PROJECTS						
Salaries & Benefits	$ 6,746,507	$ 8,508,617	$ 8,508,617	$ 7,607,894	$ (900,723)	(10.6)%
Salaries Savings Factor	—	(233,888)	(233,888)	(211,041)	22,847	(9.8)%
Services & Supplies	14,077,772	21,858,454	41,139,619	16,922,513	(4,935,941)	(22.6)%
Carry Forward Capital Projects	—	16,568,975	—	8,030,000	(8,538,975)	(51.5)%
Intra-District Charges	4,382,258	5,307,231	5,307,231	4,127,054	(1,180,177)	(22.2)%
CAPITAL PROJECTS TOTAL	**$ 25,206,537**	**$ 52,009,389**	**$ 54,721,579**	**$ 36,476,420**	**$ (15,532,969)**	**(29.9)%**
TOTAL OUTLAYS****	**$ 77,096,460**	**$ 107,396,919**	**$ 110,302,159**	**$ 94,829,990**	**$ (12,566,929)**	**(11.7)%**

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

Total Outlays - Watershed and Stream Stewardship Fund

	Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
Operations							
	10291002	Rental Expense Stevens Creek	274,324	351,354	364,015		Office of COO IT and Admin Services
	30061004	Rent Exp Guadalupe & Coyote	243,179	210,956	204,212		Office of COO IT and Admin Services
	30151026	Guad Rvr Mitgtn Monitoring Prg	711,258	685,702	1,019,152		Watershed Stewardship & Planning Division
	62001090	Unscoped Projects-Budget Only		100,000	100,000		Office of COO Watersheds
	62011002	Watershed Asset Protection Sup	3,240,623	4,589,081	3,861,826		Watershed Design & Construction Division
	62021003	CPRU Tech Support	487,442	389,531	485,984		Watershed Design & Construction Division
**	62021004	Vegetation Mgmt Tech Support	775,153	763,189			Watershed Operations & Maintenance Division
*	62021008	Energy Management	7,982	6,185	5,982		Raw Water Operations & Maintenance Division
	62021009	Watershds O&M Eng&Insp Support	1,097,079	883,837	1,076,949		Watershed Operations & Maintenance Division
*	62031001	Watershed Revenue	40,921	34,400	46,468		Financial Planning and Management Services Division
*	62031002	Grants Management	384,779	381,517	400,066		Financial Planning and Management Services Division
*	62041022	Stream Maint Prog Mgmt	3,286,694	2,872,007	3,246,242		Watershed Operations & Maintenance Division
	62041023	Community Rating System (CRS)	318,255	506,406	456,085		Office of Chief of External Affairs
**	62041026	Watersheds Asset Mgt Plng Prgm	734,815				Raw Water Operations & Maintenance Division
	62041027	Integrated Wtr Resrce Mstr Pln	736,777	1,353,826	1,407,329		Watershed Stewardship & Planning Division
*	62041039	Integrated Regional Water Mgmt	47,009	93,329	106,197		Water Supply Division
	62041043	Environmental Srvcs Tech Suppt	294,048	342,926	411,437		Watershed Stewardship & Planning Division
*	62041047	Ecolgcal Data Collectn & Analy	282,503	438,144	474,592		Watershed Stewardship & Planning Division
	62061001	Watersheds Administration	5,935,877	4,891,384	9,088,456		Office of COO Watersheds
	62061002	Districtwide Salary Savings-12	71	(630,636)	(732,894)		Financial Planning and Management Services Division
	62061005	WS Customer Relations&Outreach	444,304	515,385	521,015		Office of Chief of External Affairs
	62061008	Hydrology&Hydraulics Tech Supp	1,175,099	1,200,583	1,222,690		Watershed Stewardship & Planning Division

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Total Outlays - Watershed and Stream Stewardship Fund (Continued)

	Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
*	62061019	Supp Volunteer Cleanup Effort	89,547	179,376	155,216		Office of Chief of External Affairs
**	62061023	Watershed Ops Safety Training	16				Office of COO IT and Admin Services
**	62061028	WS Training & Development	1,272,758	1,389,335			Office of COO Watersheds
	62061029	Field Operations Support	523,827	643,825	570,457		Watershed Operations & Maintenance Division
*	62061045	Asset Management Program	224,445	1,172,868	974,494		Raw Water Operations & Maintenance Division
*	62061048	Climate Change Adaptation/ Mtg.	158,297	437,573	151,612		Watershed Stewardship & Planning Division
*	62071041	Welding Services	40,748	87,930	78,827		Office of COO IT and Admin Services
	62181005	SMP Mitigation Site Mgmt	305,284	524,303	544,769		Watershed Stewardship & Planning Division
	62181006	Instream Habitat Complexity			344,849		Watershed Operations & Maintenance Division
*	62741042	Water Resorcs EnvPlng & Permtg	19,993	43,662	121,845		Raw Water Operations & Maintenance Division
	62761006	Invasive Plant Management Prog	1,526,449	1,186,262	2,146,965		Watershed Operations & Maintenance Division
	62761008	Sandbag Program	408,817	620,485	585,472		Watershed Operations & Maintenance Division
	62761009	Pond A4 Operations	128,140	219,084	172,192		Watershed Operations & Maintenance Division
*	62761022	Watershed Good Neighbor Maint	746,747	809,610	802,984		Watershed Operations & Maintenance Division
*	62761023	Watershed Sediment Removal	4,049,959	6,082,826	4,238,443		Watershed Operations & Maintenance Division
	62761024	Wtrshd Facility Cndtion Assmnt	1,411,746	1,881,115	1,785,241		Watershed Operations & Maintenance Division
	62761025	Watershed General Field Maint	1,889,166	1,569,653	1,635,514		Watershed Operations & Maintenance Division
	62761026	Watershed Debris Removal	1,923,630	1,359,444	1,117,712		Watershed Operations & Maintenance Division
	62761027	Watershed Erosion Protection	3,265,810	3,194,383	2,810,589		Watershed Operations & Maintenance Division
	62761028	Watershed Levee Maintenance	347,230	1,284,440	1,039,311		Watershed Operations & Maintenance Division
*	62761071	Emergency Management	803,030	837,305	986,410		Office of COO IT and Admin Services
	62761074	Corps Local Sponsor O&M	707,367	1,241,151	848,151		Watershed Operations & Maintenance Division

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Total Outlays - Watershed and Stream Stewardship Fund (Continued)

	Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
*	62761075	Mgmt of Revegetation Projects	787,522	829,235	871,700		Watershed Operations & Maintenance Division
*	62761078	Vegetation Mangmnt for Access	2,928,471	2,698,155	3,056,326		Watershed Operations & Maintenance Division
	62761080	Non SMP Veg Removal for Convey	27,984	25,502	2,280,441		Watershed Operations & Maintenance Division
*	62771011	Inter Agency Urban Runoff Prog	1,073,797	1,027,358	1,163,304		Watershed Stewardship & Planning Division
*	62771031	HAZMAT Emergency Response	86,277	91,963	90,513		Office of COO IT and Admin Services
*	62811043	Hydrologic Data Msrmt & Mgmt	869,050	853,852	1,009,927		Watershed Stewardship & Planning Division
*	62811046	Warehouse Services	864,598	1,046,902	1,027,681		Office of COO IT and Admin Services
*	62811049	X Valley Subsidence Survey	130,092	296,400	548,430		Watershed Design & Construction Division
*	62811054	District Real Property Adminis	503,700	430,463	769,737		Watershed Design & Construction Division
	Total Operations		**47,632,688**	**52,043,565**	**55,694,912**		
	Operating						
	40212032	Coyote Creek Mitgtn Monitoring	65,540	276,832	257,834		Watershed Stewardship & Planning Division
	62042032	Multiple Sm Prjcts Mitgtn Mont	166,811	349,903	626,226		Watershed Stewardship & Planning Division
	62042047	Mitigation & Stwdshp Land Mgmt	123,971	237,920	210,543		Watershed Stewardship & Planning Division
	62042050	Watershd Maint Guideline Updte	230,500	1,309,486	438,932		Watershed Operations & Maintenance Division
	62042051	Plant Pathogen Management	246,818	379,096	400,008		Watershed Stewardship & Planning Division
**	62062003	El Nino Flood Emrgncy Response	2,905,447				Office of the CEO
*	62762011	Tree Maintenance Program	518,148	790,729	725,117		Watershed Operations & Maintenance Division
	Total Operating		**4,257,235**	**3,343,965**	**2,658,659**		
	Capital						
	10394001	PA Flood Basin Tide Gate Imprv	515,345	1,315,730	1,918,492		Watershed Design & Construction Division
	20444001	Salt Ponds A5-11 Restoration	493,078	95,262	270	531,000	Watershed Stewardship & Planning Division
	30114002	Canoas Crk, Rodent Damage Repr	51,523			37,000	Watershed Design & Construction Division

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Total Outlays - Watershed and Stream Stewardship Fund (Continued)

	Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
	30154015	Guadalupe Rv-DT, Coleman-SClra	1,830				Watershed Design & Construction Division
	30154019	Guadalupe R Tasman Dr - I 880			1,000,000		Watershed Design & Construction Division
	40174004	L. Berryessa Ck, L.Penit-Calav	107,213			105,000	Watershed Design & Construction Division
	40174005	Berryessa Crk, Lwr. Pen Phs 2	4,780,054	17,473,333	88	2,508,000	Watershed Design & Construction Division
	40264008	Lwr Silver-R4-6 N Babb-Cunni	1,143,074	507,097	739,000	38,000	Dam Safety and Capital Delivery Division
	40264011	Cunningham Fld Detention Cert	5,428,021	1,289,575	235,126	52,000	Watershed Design & Construction Division
	40264012	Low Silver 680-Cunningham Reim	1,672			63,000	Dam Safety and Capital Delivery Division
**	40324003	U Penitencia Cr-Corps Coord	520,147				Watershed Stewardship & Planning Division
**	40324005	U Penitencia, Coyt-Dorel LERRD	69,923			10,000	Watershed Stewardship & Planning Division
	40334005	Lwr Penitencia Crk Improvemnts	1,035,377	1,881,880	8,989,548	1,640,000	Watershed Design & Construction Division
	50284010	Lower Llagas Capacity Restore				1,318,000	Dam Safety and Capital Delivery Division
	62044001	Watershed Habitat Enhancemnt S	1,220,688	1,016,026	324,765		Watershed Stewardship & Planning Division
*	62044026	San Francisco Bay Shoreline	107,654		1,765,000	888,000	Watershed Design & Construction Division
	62064023	Districtwide Salary Savings-12		(233,888)	(211,041)		Financial Planning and Management Services Division
*	62074030	WU Capital Training & Dvlpment	114	42,092			Water Utility Capital Division
*	62074033	CIP Development & Admin	255,621	398,042	345,093		Water Utility Capital Division
*	62074036	Survey Mgmt & Tech Support	157,144	151,324	140,806		Watershed Design & Construction Division
*	62074038	Capital Progrm Srvcs Admin	1,670,293	1,611,376	1,787,367		Water Utility Capital Division
	62084001	Watersheds Asset Rehabilitatio	7,430,087	9,892,564	11,375,821		Watershed Design & Construction Division
	62184001	SMP Mit-Stream Wtrshd Land Acq	217,682		36,085	840,000	Watershed Stewardship & Planning Division
	Total Capital		**25,206,537**	**35,440,414**	**28,446,419**	**8,030,000**	
	Total		**77,096,460**	**90,827,945**	**86,799,991**	**8,030,000**	

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Safe, Clean Water and Natural Flood Protection Fund

Description

The Safe, Clean Water & Natural Flood Protection Program (Safe, Clean Water Program) Fund accounts for a 15-year program that was approved by the voters in November 2012 to address five (5) community priorities. The Program replaced the Clean, Safe Creeks and Natural Flood Protection Plan (Clean, Safe Creeks Plan) passed by voters in November 2000. The Safe, Clean Water Program is funded by a combination of revenues from the continuation of an annual special parcel tax, reserves from unspent funds of the Clean, Safe Creeks Plan, and state and federal funding. The Program includes a debt financing component that will help fund capital projects earlier in the Program rather than later.

Program funds will be used to meet remaining Clean, Safe Creeks Plan commitments and to fulfill the following community priorities identified in the Safe, Clean Water Program:

- Priority A: Ensure a safe, reliable water supply.
- Priority B: Reduce toxins, hazards and contaminants in our waterways.
- Priority C: Protect our water supply from earthquakes and natural disasters.
- Priority D: Restore wildlife habitat and provide open space.
- Priority E: Provide flood protection to homes, businesses, schools and highways.

The Program supplements other available, but limited, resources to provide stream stewardship activities and flood protection improvements. The Program supports activities that benefit not only the community at large, but that also provide relief to Water Utility rate payers. For example, the fund will pay towards the project to restore the Main Avenue and Madrone pipelines that otherwise would need to be paid by water utility rate payers. The project will restore the water transmission pipelines to full operating capacity from Anderson Reservoir for groundwater recharge.

The FY 2019-20 budget includes an additional position that is partially funded by the Safe, Clean Water Program Fund to develop and maintain Valley Water's Hydrology, Hydraulics and Geomorphology expertise.

Following each priority statement is a list of projects that are included in the FY 2019-20 budget.

Outcomes

Goal 3.1: Natural flood protection for residents, businesses, and visitors

Protect parcels from flooding by applying an integrated watershed management approach that balances environmental quality and protection from flooding; ensure continued coordination with and funding support from the US Army Corps of Engineers (USACE); continue projects to maintain channel conveyance capacity.

Goal 3.1 is delivered in part through Safe, Clean Water Program Priority E,*Project E1 (Vegetation Control and Sediment Removal for Flood Protection*):

- The Vegetation Control and Sediment Removal for Flood Protection – This effort supports Valley Water's ongoing vegetation control and sediment removal activities that reduce flood risk by maintaining design conveyance capacity of flood protection projects.
- Efforts to maintain flood conveyance capacity include providing 14% of funding to remove approximately 20,000 to 50,000 cubic yards of sediment.
- Debris removal and the control of 408 acres of upland vegetation for access and 619 acres of in-stream vegetation for stream capacity.

Goal 3.1 is also delivered through the Safe, Clean Water Program's flood protection projects under Priority E and the Other Clean, Safe Creeks Plan flood protection projects that were continued under the

Program.

Major Capital Projects starting or continuing construction:

- San Francisquito Creek, San Francisco Bay to HWY 101 – closing-out construction (Project E5);
- Berryessa Creek, Calaveras Boulevard to I-680 – closing-out construction (Clean, Safe Creeks cont.);
- Permanente Creek, San Francisco Bay to Foothill Expressway – continuing construction (Clean, Safe Creeks cont.);
- Upper Guadalupe River, I-280 to Blossom Hill Road – continuing construction (Project E8);
- Upper Llagas Creek, Buena Vista Road to Wright Avenue – starting construction (Project E6); and
- Sunnyvale East and West Channels Flood Protection Project (Clean, Safe Creeks cont.);

Major Capital Projects in planning and design:

- Upper Penitencia Creek, Coyote Creek to Dorel Drive (SCW Priority E4)
- San Francisquito Creek, HWY 101 to El Camino Real (SCW Priority E5)
- San Francisco Bay Shoreline (SCW Priority E7)
- Upper Guadalupe River, I-280 to Blossom Hill Road (SCW Priority E8) and
- Coyote Creek, Montague Expressway to Tully Road (Clean, Safe Creeks cont.).

Goal 3.2: Reduce potential for flood damages

Reduce the risk of flooding from creeks by preparing for and responding to flood emergencies.

Safe, Clean Water Program Project C2:

- Emergency Response Upgrades - Improve the accuracy of flood forecasting services with the use of stream gauges and hydrological, hydraulic and geotechnical studies.

Safe, Clean Water Program Project E2:

- Enhance inter-agency response to storm-related emergencies by working with agencies to incorporate Valley Water-endorsed flood emergency procedures into their Emergency Operations Center plans.
- Complete flood fighting action plans for watershed.
- Coordinate public outreach for uniform emergency messages and web-based information.

Safe, Clean Water Program Project E3:

- Implement risk reduction strategies consistent with FEMA's Community Rating System as appropriate.
- Provide more accurate flood plain mapping and potentially change FEMA regulatory floodplain.
- Conduct hydrologic and hydraulic studies to evaluate 1% flood risk.

Goal 4.1: Protect and restore creek, bay and other aquatic ecosystems

Reduce and remove contaminates in our local creeks, streams and bay. Restore and protect wildlife habitat.

Safe, Clean Water Program Project B1:

- Improve impaired water bodies to help Valley Water meet surface water quality standards and reduces pollutants in streams, groundwater, lakes and reservoirs.
- Operate and maintain oxygenation treatment systems in four reservoirs. Benefits include improved water quality including water going to drinking water treatment plants and reduction of methyl mercury in reservoirs to prevent entry into the food web.
- Fund several pollution prevention and reduction activities such as discouraging re-encampments along the Guadalupe River and Coyote Creek as well as trash mapping and removal.

Safe, Clean Water Program Project B2:

Interagency Urban Runoff Program - Support collaborative efforts with other agencies and non- profit organizations to protect surface water quality.

Support pollution prevention and reduction activities such as development of a Stormwater Resource Plan for South County.

Operate and maintain four (4) trash capture devices throughout the county.

Safe, Clean Water Program Project B3:

- Administer six (6) Pollution Prevention grants and one (1) partnership project awarded as of May 2018.

- Provide up to $200,000 per year for partnerships with municipalities for programs specific to reducing contaminants in groundwater or surface water.
- Solicit new proposals to support pollution prevention efforts.
- Develop and implement new grant agreements.

Safe, Clean Water Program Project B4:

- Good Neighbor Encampment Cleanup- Perform 52 annual cleanups for the duration of the Safe, Clean Water Program to reduce the amount of trash and pollutants entering the streams.

Safe, Clean Water Program Project B5:

- Hazardous Material Response Program – Respond to 100% of hazardous materials reports requiring urgent on-site inspection in two (2) hours or less.

Safe, Clean Water Program Project B6:

- Good Neighbor Program – Conduct four (4) clean-up events per year.
- Response to requests on litter or graffiti clean-up within 5 working days.

Safe, Clean Water Program Project B7:

- Administer nine (9) new Support Volunteer Clean Up and Education Effort projects awarded in FY18.
- Continue to develop and implement partnership agreements.
- Solicit new proposals for support volunteer cleanup and education projects as directed by the Board.

Safe, Clean Water Program Project D1:

- Maintain a minimum of 300 existing acres of revegetation planting annually to meet regulatory requirements and conditions throughout the five watersheds

Safe, Clean Water Program Project D2:

- Revitalize stream, upland and wetland habitat by removing non-native, invasive plants and revegetating habitat with native species.

Safe, Clean Water Program Project D3:

- Develop Stream Corridor Priority Plans to prioritize stream restoration activities.
- Conduct proposal solicitation and execute agreements, which includes $500,000 for partnerships and $200,000 for mini-grants for wildlife habitat restoration.
- Continue to develop and implement partnership agreements.
- Administer over 20 wildlife habitat restoration grants and partnership projects awarded since 2014.

Safe, Clean Water Program Project D4:

- Install Los Gatos Creek gravel augmentation and Large Woody Debris Placement Project (Stream Maintenance Program project)
- Initiate Phase II study of select steelhead streams to evaluate possible sites for habitat improvement through gravel and wood augmentation.

Deliver fish passage improvements through the geomorphically designed Bolsa Road Bridge Project, as follows:

- Planning/design and construction funded by Project D4 (Capital project); and
- Construction costs to be reimbursed by Project D6.

Complete planning/design study for two (2) creek/lake separation projects:

- Finalize design for Almaden Lake Improvement - creek/lake separation (Capital project); and
- Continue Planning Phase study of Ogier Ponds creek/lake separation (Capital project).

Safe, Clean Water Program Project D5:

- Reassess the Coyote Creek Watershed to determine if ecological levels of service are maintained or improved.

Safe, Clean Water Program Project D6:

Increase the stability through channel improvement projects based on sound geomorphic science principles

- Hale Creek Enhancement Pilot Project (Capital project);
- Los Gatos Creek Restoration Project (Capital project); and
- Bolsa Road Bride Project (Capital project).

Safe, Clean Water Program Project D7:

- Provide up to $8 million for the acquisition of property for the conservation of habitat lands to preserve local ecosystems through a funding agreement with the Santa Clara Valley Habitat Agency.

Safe, Clean Water Program Project D8:

South Bay Salt Ponds Restoration (Capital project)

- Reuse local stream sediments to build and rehabilitate tidal habitat

Goal 4.2: Improved quality of life in Santa Clara County through trails and open space

Provide access to creekside trails or trails that provide a significant link to the creekside trail network.

Safe, Clean Water Program Project D3:

- Conduct proposal solicitation and execute agreements, which includes $571,000 grant funds for trails and open space.
- Administer (7) open space and trail grants projects awarded since 2014.

Fiscal Status

The Safe, Clean Water Program special parcel tax is budgeted at $45.5 million, reflecting a 3.5% increase from the FY 2018-19 budget. This special tax is based on the land use and parcel size rather than assessed property value.

Consequently, the annual rates of change are different than for the other property taxes in the Watershed Stream and Stewardship (WSS) Fund.

Interest earnings are projected at $2.4 million reflecting a 43.7% increase from the FY 2018-19 budget.

Capital Reimbursement of $13.5 million is budgeted as follows:

- $9.9 million for State Subventions: Berryessa Creek, Calaveras Blvd. to I-680 ($4.9 million) and Llagas Creek – Upper, Buena Vista Rd. to Wright Ave. ($5.0 million).
- $3.6 million for Guadalupe River – Upper, I-280 – Blossom Hill Rd.

Operating Transfers in of $18.6 million is budgeted as follows:

- $17.5 million transferred from WSS Fund for Berryessa Creek.
- $0.9 million transferred from WSS Fund (90% of net rental income) to fund the Encampment Cleanup program.
- $0.2 million returning funds from the General Fund from a FY14 transfer for the Winfield Warehouse.

Budget Issues

Safe, Clean Water Program Priority E and continued Clean, Safe Creeks Plan flood protection projects:

- Staff continues to work aggressively with the USACE to obtain Federal funding; however, due to uncertainty in USACE funding for capital flood protection projects, staff continues to explore other capital funding options. Flood protection projects continue to the extent possible with local funding.

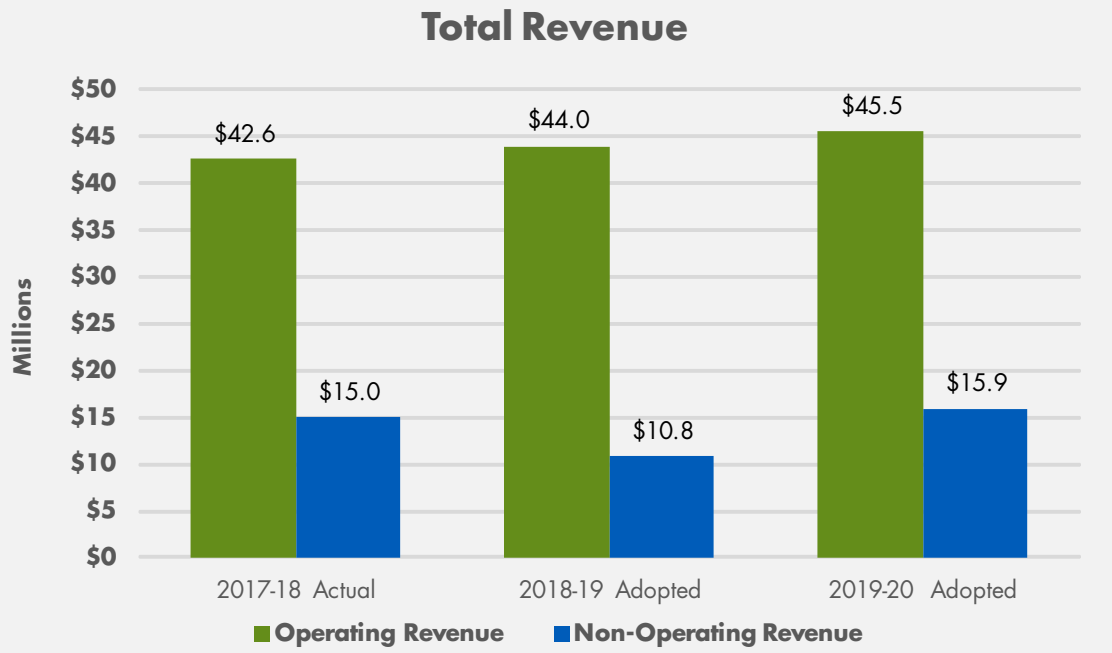
Safe, Clean Water Program Project B4 -Good Neighbor Encampment Cleanups:

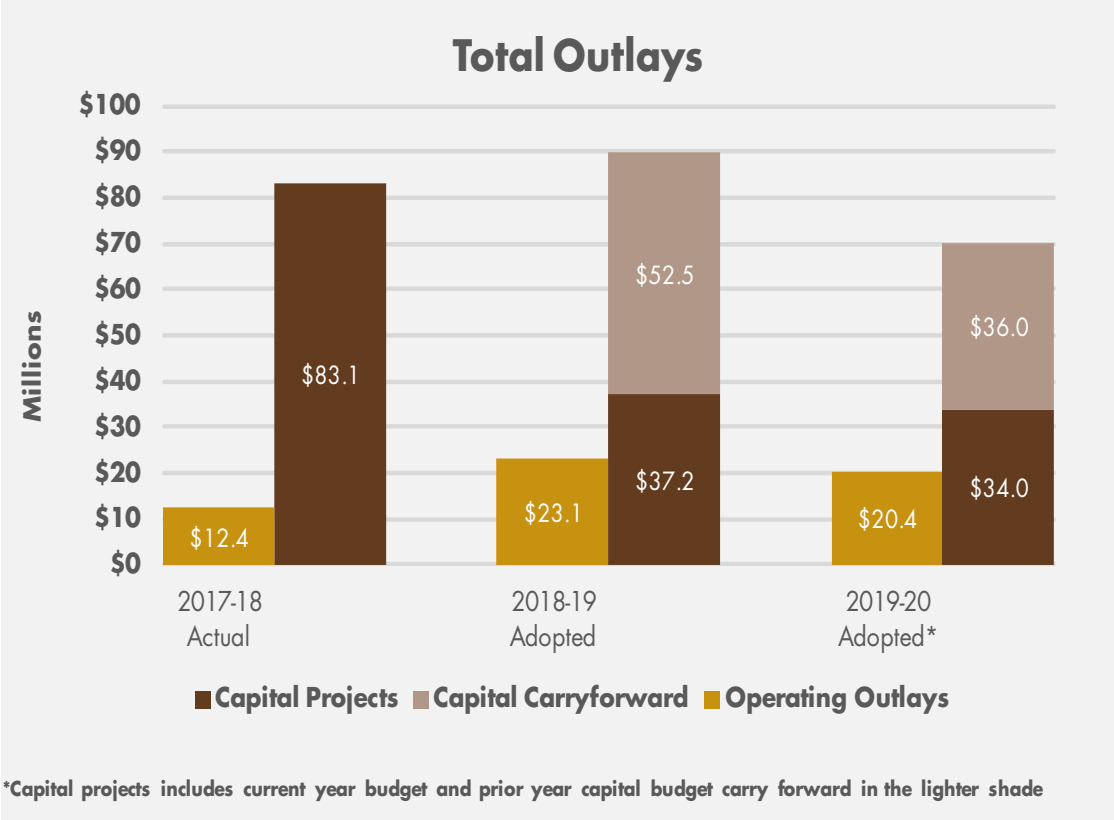
- There continues to be an increased community demand for encampment cleanups. As a result, the project does not have adequate funding to meet the increased demand for services from the community and partner agencies. Valley Water is piloting a reduced-level of service approach, with a portion of Project B4 funding supplemented by the WSS Fund. The results of this pilot approach will be reported to the Board in FY20, with a recommendation regarding funding and levels of service for continued project implementation.

Safe, Clean Water Program Priorities B and D – Stream Stewardship Activities:

- There are limited funds to meet the demands for stream stewardship activities; however, overall, the Program remains on track to deliver its Key Performance Indicators for the projects under Priorities B and D.

Safe, Clean Water and Natural Flood Protection Fund





*Capital projects includes current year budget and prior year capital budget carry forward in the lighter shade

Safe, Clean Water and Natural Flood Protection Fund Summary

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted $ Diff	Change from 2018-19 Adopted % Diff
REVENUE						
Operating Revenue						
Special Parcel Tax	$ 42,487,520	$ 43,998,000	$ 43,998,000	$ 45,537,000	$ 1,539,000	3.5%
Intergovernmental Services	92,567	—	—	—	—	—
Total Operating Revenue	**$ 42,580,087**	**$ 43,998,000**	**$ 43,998,000**	**$ 45,537,000**	**$ 1,539,000**	**3.5%**
Non-Operating Revenue						
Capital Reimbursements	$ 12,257,050	$ 9,126,000	$ 13,618,000	$ 13,476,000	$ 4,350,000	47.7%
Interest Income *	2,412,093	1,670,000	2,500,000	2,400,000	730,000	43.7%
Nonoperating Other	324,276	—	—	—	—	—
Total Non-Operating Revenue	**$ 14,993,419**	**$ 10,796,000**	**$ 16,118,000**	**$ 15,876,000**	**$ 5,080,000**	**47.1%**
TOTAL REVENUE	**$ 57,573,506**	**$ 54,794,000**	**$ 60,116,000**	**$ 61,413,000**	**$ 6,619,000**	**12.1%**
OUTLAYS						
Operating Outlays						
Operations **	$ 10,137,309	$ 15,206,856	$ 16,661,794	$ 13,931,312	$ (1,275,544)	(8.4)%
Operating Project	1,868,066	3,316,701	3,316,701	3,336,900	20,199	0.6%
Debt Service	437,414	4,616,400	1,129,000	3,101,660	(1,514,740)	(32.8)%
Total Operating Outlays	**$ 12,442,789**	**$ 23,139,957**	**$ 21,107,495**	**$ 20,369,872**	**$ (2,770,085)**	**(12.0)%**
Capital Outlays						
Capital Projects	$ 83,095,261	$ 37,220,788	$ 83,534,640	$ 34,008,898	$ (3,211,890)	(8.6)%
Carry Forward Capital Projects	—	52,531,008	$	35,966,000	(16,565,008)	(31.5)%
Total Capital Outlays	**$ 83,095,261**	**$ 89,751,796**	**$ 83,534,640**	**$ 69,974,898**	**$ (19,776,898)**	**(22.0)%**
TOTAL OUTLAYS**	**$ 95,538,050**	**$ 112,891,753**	**$ 104,642,135**	**$ 90,344,770**	**$ (22,546,983)**	**(20.0)%**
OTHER FINANCING SOURCES/(USES)						
Certificates of Participation	$ 3,457,481	$ —	$ 2,400,000	$ —	$ —	—
Commercial Paper Proceeds	30,000,000	110,000,000	30,000,000	—	(110,000,000)	(100.0)%
Transfers In	11,378,000	2,029,000	1,943,755	18,574,800	16,545,800	815.5%
TOTAL OTHER SOURCES/(USES)	**$ 44,835,481**	**$ 112,029,000**	**$ 34,343,755**	**$ 18,574,800**	**$ (93,454,200)**	**(83.4)%**
BALANCE AVAILABLE	**$ 6,870,937**	**$ 53,931,247**	**$ (10,182,380)**	**$ (10,356,970)**	**$ (64,288,217)**	**(119.2)%**
YEAR-END RESERVES						
Restricted Reserves						
SCW Currently Authorized Projects	$ 105,500,737	$ 16,134,748	$ 61,384,000	$ 25,418,000	$ 9,283,252	57.5%
SCW Operating and Capital Reserve	31,111,599	123,269,436	65,045,956	90,654,986	(32,614,450)	(26.5)%
Total Restricted Reserves	**$ 136,612,336**	**$ 139,404,184**	**$ 126,429,956**	**$ 116,072,986**	**$ (23,331,198)**	**(16.7)%**
TOTAL YEAR-END RESERVES	**$ 136,612,336**	**$ 139,404,184**	**$ 126,429,956**	**$ 116,072,986**	**$ (23,331,198)**	**(16.7)%**
UNCOMMITED FUNDS			**$ —**	**$ —**		

Safe, Clean Water and Natural Flood Protection Fund Summary (Continued)

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted $ Diff	Change from 2018-19 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries & Benefits	$ 3,815,528	$ 5,096,151	$ 5,078,444	$ 5,126,096	$ 29,945	0.6%
Salaries Savings Factor	—	(139,083)	(139,083)	(140,219)	(1,136)	0.8%
Services & Supplies	5,500,394	10,001,068	11,485,018	9,108,978	(892,090)	(8.9)%
Intra-District Charges	2,689,453	3,565,421	3,554,116	3,173,357	(392,064)	(11.0)%
OPERATING OUTLAY TOTAL	**$ 12,005,375**	**$ 18,523,557**	**$ 19,978,495**	**$ 17,268,212**	**$ (1,255,345)**	**(6.8)%**
DEBT SERVICE						
Services & Supplies	$ 437,414	$ 979,400	$ 479,400	$ 785,660	$ (193,740)	(19.8)%
Debt Service	—	3,637,000	649,600	2,316,000	(1,321,000)	(36.3)%
DEBT SERVICE TOTAL	**$ 437,414**	**$ 4,616,400**	**$ 1,129,000**	**$ 3,101,660**	**$ (1,514,740)**	**(32.8)%**
CAPITAL PROJECTS						
Salaries & Benefits	$ 8,441,157	$ 10,223,384	$ 10,223,384	$ 10,963,703	$ 740,319	7.2%
Salaries Savings Factor	—	(283,259)	(283,259)	(306,218)	(22,959)	8.1%
Services & Supplies	69,093,312	20,889,033	67,202,886	17,409,035	(3,479,998)	(16.7)%
Carry Forward Capital Projects	—	52,531,008	—	35,966,000	(16,565,008)	(31.5)%
Intra-District Charges	5,560,792	6,391,629	6,391,629	5,942,378	(449,251)	(7.0)%
CAPITAL PROJECTS TOTAL	**$ 83,095,261**	**$ 89,751,795**	**$ 83,534,640**	**$ 69,974,898**	**$ (19,776,897)**	**(22.0)%**
TOTAL OUTLAYS****	**$ 95,538,050**	**$ 112,891,752**	**$ 104,642,135**	**$ 90,344,770**	**$ (22,546,982)**	**(20.0)%**

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

Total Outlays - Safe, Clean Water & Natural Flood Protection Fund

	Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
Operations							
	26001090	Unscoped Projects-Budget Only		100,000	100,000		Office of COO Watersheds
*	26031001	Watershed Revenue	95,482	80,266	108,426		Financial Planning and Management Services Division
	26041023	Emergency Response Upgrades	363,539	343,888	309,082		Watershed Stewardship & Planning Division
	26041024	Flood Risk Reduction Studies	651,702	819,370	966,093		Watershed Stewardship & Planning Division
*	26041047	Ecolgcal Data Collectn & Analy	573,566	889,566	963,566		Watershed Stewardship & Planning Division
	26061002	Rent Exp Clean Safe Ck 7/1/ 01+	108,601	158,332	168,410		General Services Division
**	26061003	Stwardshp Grnts/Partnrshp Admn	78,804				Office of Chief of External Affairs
	26061004	Districtwide Salary Savings-26		(139,083)	(140,219)		Financial Planning and Management Services Division
	26061005	Flood Emrgncy Respnse Planning	247,375	216,898	296,578		Office of COO IT and Admin Services
	26061006	Pollution Prvtn Prtnrshp & Grt	103,134	449,902	870,723		Office of Chief of External Affairs
	26061007	Grants to Rest Habitat Access	459,436	3,147,756	1,895,576		Office of Chief of External Affairs
	26061008	Water Conservation Grants	155,902	130,299	124,833		Office of Chief of External Affairs
	26061010	Nitrate Treatment Systm Rebate	10,982	53,012	4,000		Water Supply Division
	26061012	Safe Clean Water Implementatn	450,053	782,527	579,027		Office of COO Watersheds
*	26061019	Supp Volunteer Cleanup Effort	109,446	219,238	189,708		Office of Chief of External Affairs
*	26761022	Watershed Good Neighbor Maint	497,831	539,740	535,323		Watershed Operations & Maintenance Division
*	26761023	Watershed Sediment Removal	659,296	990,227	689,979		Watershed Operations & Maintenance Division
*	26761075	Mgmt of Revegetation Projects	1,087,530	1,145,135	1,203,776		Watershed Operations & Maintenance Division
	26761076	Rev, Riprn, Uplnd, & Wtlnd Hab	801,365	1,558,017	938,599		Watershed Stewardship & Planning Division
*	26761078	Vegetation Mangmnt for Access	516,796	476,145	539,352		Watershed Operations & Maintenance Division
	26761079	SCW E1.3-Flow Conveyance, Sed			213,292		Watershed Operations & Maintenance Division
*	26771011	Inter Agency Urban Runoff Prog	753,943	721,337	816,788		Watershed Stewardship & Planning Division
	26771027	Encampment Cleanup Program	1,485,693	927,131	765,073		Watershed Operations & Maintenance Division
*	26771031	HAZMAT Emergency Response	28,759	30,654	30,171		Office of COO IT and Admin Services

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Total Outlays - Safe, Clean Water & Natural Flood Protection Fund

	Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
	26771067	Stream Capacity Vegetation Con	898,073	1,566,499	1,759,156		Watershed Operations & Maintenance Division
	26771068	SCW E1.3-Flow Conveyance, Veg			4,000		Watershed Operations & Maintenance Division
Total Operations			**10,137,309**	**15,206,856**	**13,931,312**		
Operating							
	26042002	Fish Habitat Improvements	264,509	602,891	568,731		Watershed Stewardship & Planning Division
	26072008	SCW D7 Conservation Habitat		1,000,000	1,000,000		Raw Water Operations & Maintenance Division
	26752043	Impaired Water Bodies Imprvmts	1,603,557	1,713,810	1,768,169		Watershed Stewardship & Planning Division
Total Operating			**1,868,066**	**3,316,701**	**3,336,900**		
Debt Service							
	26993001	Commercial Paper Tax Exmpt SCW	437,414	4,616,400	3,101,660		Financial Planning and Management Services Division
Total Debt Service			**437,414**	**4,616,400**	**3,101,660**		
Capital							
	26044001	Almaden Lake Improvement	668,088	190,757	1,153,048	75,000	Watershed Design & Construction Division
	26044002	SCW Fish Passage Improvement	438,100	391,865	1,048,035	1,308,000	Watershed Design & Construction Division
	26044003	Ogier Ponds Planning Study			597,884	500,000	Watershed Stewardship & Planning Division
	26064023	Districtwide Salary Savings -26		(283,259)	(306,219)		Financial Planning and Management Services Division
	26074002	Sunnyvale East & West Channel	813,992		4,441,000	3,717,000	Dam Safety and Capital Delivery Division
*	26074030	CPS Training and Development	114	42,092			Water Utility Capital Division
*	26074033	CIP Development & Admin	302,958	471,753	472,905		Water Utility Capital Division
*	26074036	Survey Mgmt & Tech Support	186,245	179,346	192,956		Watershed Design & Construction Division
*	26074038	Capital Program Services Admin	1,979,605	1,909,779	2,449,355		Water Utility Capital Division
	26154002	Guadalupe Rv-Upr, 280-SPRR(R6	137,287		87,184	1,163,000	Watershed Design & Construction Division
	26154003	Guadalupe Rv-Upr, SPRR-BH 7-12	22,494,080	6,516,491	368	2,492,000	Watershed Design & Construction Division
	26164001	HaleCreekEnhancementPilotStudy	363,251	2,581,476	21,065	3,623,000	Watershed Design & Construction Division

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Total Outlays - Safe, Clean Water & Natural Flood Protection Fund

Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
26174041	Berryessa Calav/Old Pied Cor	1,085,334		171	261,000	Watershed Design & Construction Division
26174042	Berryessa Calav/Old Pied LER	17,529	209,000	1,000	208,000	Watershed Design & Construction Division
26174043	Coyote Creek, Montague-Tully	1,363,266	1,752,173	941,355		Watershed Stewardship & Planning Division
26174051	U. Llagas Ck, Reimburse E6b	10,201,812		1,983,000	2,892,000	Dam Safety and Capital Delivery Division
26174052	U. Llagas Ck, Nonreimburse E6a	1,084,664		9,741,000	13,210,000	Dam Safety and Capital Delivery Division
26174054	U.Llagas Ck Design B. Vsta Rd	1,113,638	5,239,930	260,999		Dam Safety and Capital Delivery Division
26204001	Los Gatos Creek Strm Restore			226,242		Watershed Stewardship & Planning Division
26244001	Permanente Ck, Bay-Fthill CSC	17,348,646	5,281,455	2,860,325	250,000	Watershed Design & Construction Division
26284001	San Francisquito Ck,BaySer CSC	346,268			111,000	Watershed Design & Construction Division
26284002	San Francisquito Early Implemt	8,725,352	3,109,935	2,805,465	789,000	Watershed Design & Construction Division
26324001	U Penitncia Crk Corp Coord SCW		1,524,802	1,304,916		Watershed Stewardship & Planning Division
26444001	SFBS EIA 11 Desgn & Part Const	680,857	6,721,838	2,994,236	4,076,000	Watershed Design & Construction Division
26444002	SFBS Other EIAs Planning	195,008			523,000	Watershed Design & Construction Division
26444003	SBSP Restoration Partnership	37,816			13,000	Watershed Stewardship & Planning Division
26564001	Main/Madrone PL Restoration	13,511,351	291,555	334,061	2,000	Water Utility Capital Division
26764001	IRP2 AddLine Valves		1,089,798	398,547	753,000	Water Utility Capital Division
Total Capital		**83,095,261**	**37,220,788**	**34,008,898**	**35,966,000**	
Total		**95,538,049**	**60,360,745**	**54,378,769**	**35,966,000**	

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Benefit Assessment Funds Overview

The Flood Control Benefit Assessment was first authorized by Valley Water Board of Directors in 1981, and then by ballot measures in 1982, 1986, and 1990. The program had a sunset date of 2000 but the assessment will continue until 2030, when Valley Water will pay off the bonds associated with it. The Benefit Assessment funds are in place to account for both revenue received and expenditures by zone.

Starting from FY 2008-09, the following watershed funds are redefined as the Benefit Assessment Funds as a result of the watershed fund consolidation effort:

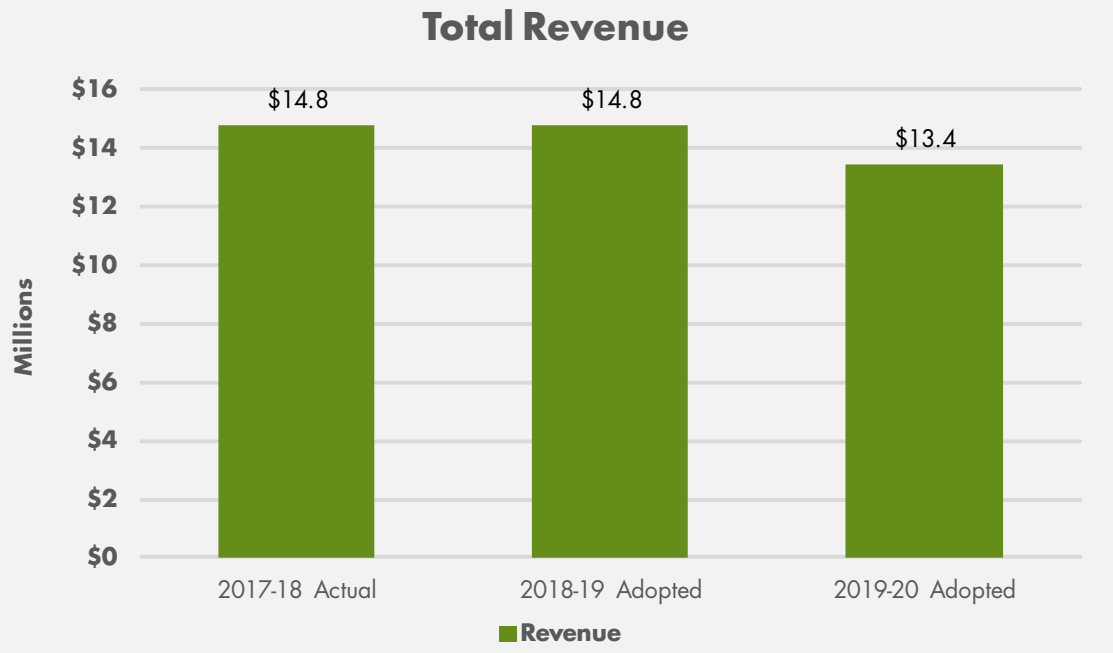
- The Lower Peninsula Watershed (Fund 21) is defined by geographic boundaries encompassing the tributaries and watersheds of San Francisquito Creek, Matadero Creek, Barron Creek, Adobe Creek, Stevens Creek, and Permanente Creek. The geographic area includes the cities of Palo Alto, Los Altos, Los Altos Hills, Mountain View, and portions of Cupertino.
- The West Valley Watershed (Fund 22) is defined by geographic boundaries encompassing the tributaries and watersheds of the Guadalupe Slough, Sunnyvale West Outfall, Sunnyvale East Outfall, Calabazas Creek, San Tomas Aquino Creek, and Saratoga Creek. The geographic area includes portions of the cities of Sunnyvale, Cupertino, Monte Sereno, San Jose, Santa Clara, Campbell, Saratoga and the Town of Los Gatos.
- The Guadalupe Watershed (Fund 23) is defined by geographic boundaries encompassing the tributaries and watersheds of the Guadalupe River. The major tributaries are Los Gatos Creek, Canoas Creek, Ross Creek, Guadalupe Creek, and Alamitos Creek. The geographic area includes portions of the cities of Santa Clara, San Jose, Campbell, Monte Sereno, and the Town of Los Gatos.
- The Coyote Watershed (Fund 24) is defined by geographic boundaries encompassing the tributaries and watersheds of Coyote Creek. The major tributaries are Lower Penitencia Creek, Scott Creek, Berryessa Creek, Upper Penitencia Creek, Silver Creek, Thompson Creek, Fisher Creek, and Packwood Creek. The geographic area includes the city of Milpitas and portions of the cities of San Jose and Morgan Hill.
- The Uvas/Llagas Watershed (Fund 25) is defined by geographic boundaries encompassing the tributaries and watersheds of the Pajaro River in Santa Clara County. The major tributaries are Little Llagas Creek, Llagas Creek, the west branch of Llagas Creek, Uvas-Carnadero Creek, Pescadero Creek, and Pacheco Creek. The Uvas/Llagas Watershed Fund is comprised of mostly unincorporated area and includes the city of Gilroy and portions of the cities of San Jose and Morgan Hill.

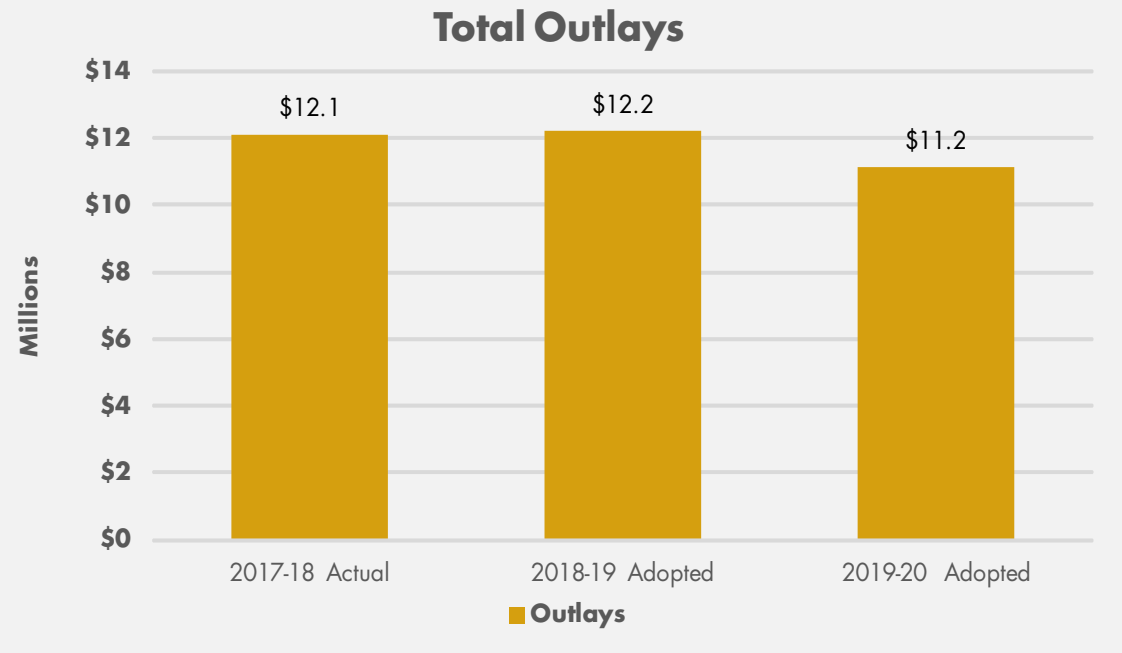
These funds are redefined as the benefit assessment funds comprised of voter-approved debt repayment phase of the benefit assessment program, with benefit assessment levied at 1.25 times the annual debt service. The excess amount over annual debt service will be transferred out to the consolidated Watershed and Stream Stewardship Fund (Fund 12) for the maintenance of the flood protection infrastructure.

The benefit assessment for a single family residence is expected at approximately:

- $37.13/year for Lower Peninsula Watershed
- $11.95/year for West Valley Watershed
- $19.03/year for Guadalupe Watershed
- $18.95/year for Coyote Watershed
- $0.00/year for Uvas/Llagas Watershed. The debt has been paid off

Benefit Assessment Funds





Benefit Assessment Funds

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted $ Diff	Change from 2018-19 Adopted % Diff
REVENUE						
Lower Peninsula Watershed	$ 4,032,339	$ 4,039,000	$ 4,039,000	$ 2,704,524	$ (1,334,476)	(33.0)%
West Valley Watershed	2,287,124	2,255,000	2,255,000	2,254,819	(181)	(0.0)%
Guadalupe Watershed	4,539,598	4,552,000	4,552,000	4,552,774	774	0.0%
Coyote Watershed	3,914,420	3,932,000	3,932,000	3,932,561	561	0.0%
TOTAL REVENUE	**$ 14,773,481**	**$ 14,778,000**	**$ 14,778,000**	**$ 13,444,678**	**$ (1,333,322)**	**(9.0)%**
OUTLAYS						
Debt Service						
Lower Peninsula Watershed	$ 3,353,477	$ 3,362,476	$ 3,362,476	$ 2,288,687	$ (1,073,789)	(31.9)%
West Valley Watershed	1,815,510	1,855,910	1,855,910	1,859,205	3,295	0.2%
Guadalupe Watershed	3,693,753	3,724,056	3,724,056	3,731,148	7,092	0.2%
Coyote Watershed	3,251,590	3,268,430	3,268,430	3,274,108	5,678	0.2%
TOTAL OUTLAYS****	**$ 12,114,330**	**$ 12,210,872**	**$ 12,210,872**	**$ 11,153,148**	**$ (1,057,724)**	**(8.7)%**
OTHER FINANCING SOURCES/(USES)						
Transfers Out to WSS Fund						
Lower Peninsula Watershed	$ (678,863)	$ (676,524)	$ (676,524)	$ (415,837)	$ 260,687	(38.5)%
West Valley Watershed	(471,614)	(409,090)	(409,090)	(395,614)	13,476	(3.3)%
Guadalupe Watershed	(845,844)	(853,944)	(853,944)	(821,626)	32,318	(3.8)%
Coyote Watershed	(662,831)	(627,570)	(627,570)	(658,453)	(30,883)	4.9%
TOTAL OTHER SOURCES/(USES)	**$ (2,659,152)**	**$ (2,567,128)**	**$ (2,567,128)**	**$ (2,291,530)**	**$ 275,598**	**(10.7)%**
BALANCE AVAILABLE	**$ (1)**	**$ —**	**$ —**	**$ —**	**$ —**	**—**

Outlay Summary by Account Type

OUTLAYS						
Services & Supplies						
Lower Peninsula Watershed	$ 2,626	$ 4,565	$ 4,565	$ 15,975	$ 11,410	249.9%
West Valley Watershed	1,030	7,830	7,830	10,960	3,130	40.0%
Guadalupe Watershed	1,858	16,467	16,467	23,052	6,585	40.0%
Coyote Watershed	2,117	12,680	12,680	1,003,135	990,455	7,811.2%
Total Services & Supplies	**$ 7,631**	**$ 41,542**	**$ 41,542**	**$ 1,053,122**	**$ 1,011,580**	**2,435.1%**
Debt Service						
Lower Peninsula Watershed	$ 3,350,850	$ 3,357,911	$ 3,357,911	$ 2,272,712	$ (1,085,199)	(32.3)%
West Valley Watershed	1,814,480	1,848,080	1,848,080	1,848,245	165	0.0%
Guadalupe Watershed	3,691,895	3,707,589	3,707,589	3,708,096	507	0.0%
Coyote Watershed	3,249,473	3,255,750	3,255,750	2,270,973	(984,777)	(30.2)%
Total Debt Service	**$ 12,106,698**	**$ 12,169,330**	**$ 12,169,330**	**$ 10,100,026**	**$ (2,069,304)**	**(17.0)%**
TOTAL OUTLAYS****	**$ 12,114,329**	**$ 12,210,872**	**$ 12,210,872**	**$ 11,153,148**	**$ (1,057,724)**	**(8.7)%**

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

Total Outlays - Lower Peninsula Watershed Fund

Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
Debt Service						
10993008	2017A COP Refunding LP WS	3,353,477	3,362,476	2,288,687		Financial Planning and Management Services Division
Total Debt Service		**3,353,477**	**3,362,476**	**2,288,687**		
Total		**3,353,477**	**3,362,476**	**2,288,687**		

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Total Outlays - West Valley Watershed Fund

Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
Debt Service						
20993007	2012A COP Refunding WV WS	1,133,472	1,172,053	1,174,200		Financial Planning and Management Services Division
20993008	2017A COP Refunding WV WS	682,039	683,857	685,005		Financial Planning and Management Services Division
Total Debt Service		**1,815,510**	**1,855,910**	**1,859,205**		
Total		**1,815,510**	**1,855,910**	**1,859,205**		

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Total Outlays - Guadalupe Watershed Fund

Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
Debt Service						
30993007	2012A COP Refunding Guad WS	2,904,235	2,931,615	2,936,985		Financial Planning and Management Services Division
30993008	2017A COP Refunding Guad WS	789,518	792,441	794,162		Financial Planning and Management Services Division
Total Debt Service		**3,693,753**	**3,724,056**	**3,731,148**		
Total		**3,693,753**	**3,724,056**	**3,731,148**		

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Total Outlays - Coyote Watershed Fund

Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
Debt Service						
40993007	2012A COP Refunding Coyote WS	1,204,898	1,216,286	1,218,515		Financial Planning and Management Services Division
40993008	2017A COP Refunding Coyote WS	2,046,692	2,052,144	2,055,594		Financial Planning and Management Services Division
Total Debt Service		**3,251,590**	**3,268,430**	**3,274,109**		
Total		**3,251,590**	**3,268,430**	**3,274,109**		

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

WATER ENTERPRISE AND STATE WATER PROJECT FUNDS

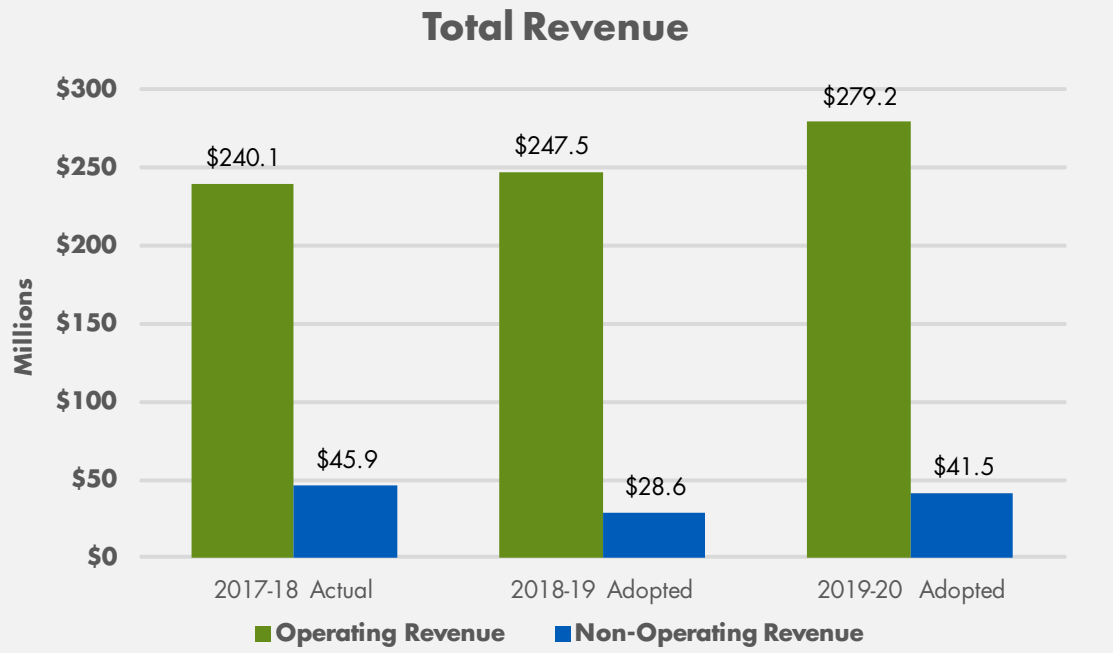
Overview

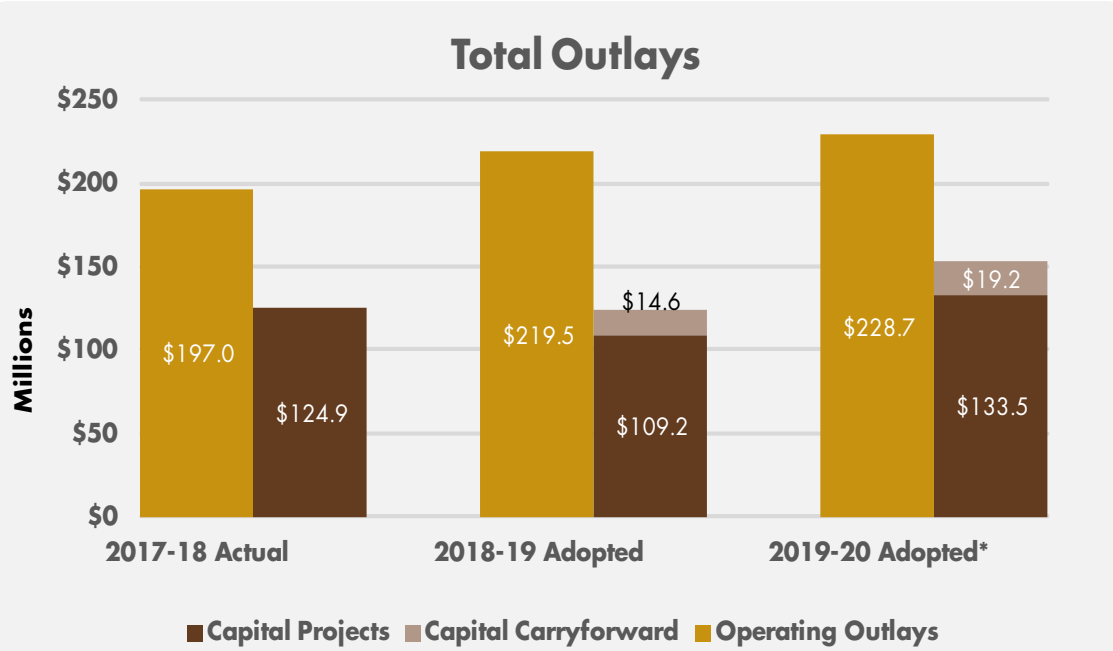
As the water management agency and principal water wholesaler for Santa Clara County, the Santa Clara Valley Water District manages a sustainable water supply through conjunctive use of surface and groundwater resources. The Chief Operating Officer - Water Utility implements the program to protect and augment water supplies through the use of two funds:

- The Water Utility Enterprise Fund (Fund 61)
- The State Water Project Fund (Fund 63)

Financial summaries and a description of programs and outcomes from these funds can be found in this chapter.

Water Enterprise and State Water Project Funds





*Capital projects includes current year budget and prior year capital budget carry forward in the lighter shade

Water Enterprise and State Water Projects Combined Fund Summary

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted $ Diff	Change from 2018-19 Adopted % Diff
REVENUE						
Operating Revenue						
GroundWater	$ 97,482,517	$ 90,696,000	$ 90,696,000	$ 105,036,000	$ 14,340,000	15.8%
Treated Water	132,476,810	152,787,000	152,787,000	169,519,000	16,732,000	11.0%
Surface/Recycled	1,040,878	2,653,000	2,653,000	2,821,000	168,000	6.3%
Intergovermental Services	4,396,464	625,000	735,000	1,237,000	612,000	97.9%
Operating Other	4,706,248	735,000	625,000	625,000	(110,000)	(15.0)%
Total Operating Revenue	**$ 240,102,917**	**$ 247,496,000**	**$ 247,496,000**	**$ 279,238,000**	**$ 31,742,000**	**12.8%**
Non-Operating Revenue						
Property Tax	$ 37,416,113	$ 24,962,471	$ 25,314,212	$ 25,451,232	$ 488,761	2.0%
Capital Reimbursements	4,350,071	1,355,000	5,480,000	11,856,000	10,501,000	775.0%
Interest Income *	2,406,091	1,084,000	2,640,000	2,800,000	1,716,000	158.3%
Non-Operating Other	1,725,476	1,200,000	1,200,000	1,392,000	192,000	16.0%
Total Non-Operating Revenue	**$ 45,897,751**	**$ 28,601,471**	**$ 34,634,212**	**$ 41,499,232**	**$ 12,897,761**	**45.1%**
TOTAL REVENUE	**$ 286,000,668**	**$ 276,097,471**	**$ 282,130,212**	**$ 320,737,232**	**$ 44,639,761**	**16.2%**
OUTLAYS						
Operating Outlays						
Operations **	$ 171,065,675	$ 177,272,714	$ 177,301,726	$ 184,563,623	$ 7,290,909	4.1%
Operating Project	222,064	338,884	338,884	310,764	(28,120)	(8.3)%
Debt Service	25,717,114	41,885,770	41,885,770	43,874,295	1,988,525	4.7%
Total Operating Outlays	**$ 197,004,853**	**$ 219,497,368**	**$ 219,526,380**	**$ 228,748,682**	**$ 9,251,314**	**4.2%**
Capital Outlays						
Capital Projects	$ 124,898,539	$ 109,216,248	$ 119,671,505	$ 133,456,709	$ 24,240,461	22.2%
Carry Forward Capital Projects	—	14,614,126	—	19,239,000	4,624,874	31.6%
Total Capital Outlays	**$ 124,898,539**	**$ 123,830,374**	**$ 119,671,505**	**$ 152,695,709**	**$ 28,865,335**	**23.3%**
TOTAL OUTLAYS**	**$ 321,903,392**	**$ 343,327,742**	**$ 339,197,885**	**$ 381,444,391**	**$ 38,116,649**	**11.1%**
OTHER FINANCING SOURCES/(USES)						
Bond Proceeds	$ —	$ 64,193,000	$ 64,193,000	$ 59,559,000	$ (4,634,000)	(7.2)%
Commercial Paper Proceeds	51,570,000	—	—	—	—	—
Transfers In	3,252,000	1,228,000	1,228,000	1,013,000	(215,000)	(17.5)%
Transfers Out	(11,477,048)	(5,937,166)	(3,907,800)	(2,478,000)	3,459,166	(58.3)%
TOTAL OTHER SOURCES/(USES)	**$ 43,344,952**	**$ 59,483,834**	**$ 61,513,200**	**$ 58,094,000**	**$ (1,389,834)**	**(2.3)%**
BALANCE AVAILABLE	**$ 7,442,228**	**$ (7,746,437)**	**$ 4,445,527**	**$ (2,613,159)**	**$ 5,133,278**	**(66.3)%**

Water Enterprise and State Water Projects Combined Fund Summary

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted $ Diff	Change from 2018-19 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization	$ 21,066,011	$ 22,477,551	$ 22,477,551	$ 23,467,000	$ 989,449	4.4%
WUE San Felipe Emergency	3,039,874	3,053,130	3,053,130	3,103,000	49,870	1.6%
WUE State Water Project Tax Reserve	12,777,981	4,725,400	10,883,272	4,815,690	90,290	1.9%
WUE Public-Private Partnership (P3) Reserve	—	4,000,000	4,000,000	8,000,000	4,000,000	100.0%
WUE Water Supply	14,677,141	14,677,000	14,677,000	15,077,000	400,000	2.7%
WUE SVAWPC	1,906,000	986,000	1,066,000	1,066,000	80,000	8.1%
WUE Drought Reserve	5,000,000	7,000,000	7,000,000	10,000,000	3,000,000	42.9%
Total Restricted Reserves	**$ 58,467,007**	**$ 56,919,081**	**$ 63,156,953**	**$ 65,528,690**	**$ 8,609,609**	**15.1%**
Committed Reserves						
Currently Authorized Projects ***	$ 42,010,193	$ 6,599,468	$ 35,069,000	$ 15,830,000	$ 9,230,532	139.9%
Operating and Capital Reserve	20,485,996	37,278,868	27,182,770	41,436,874	4,158,006	11.2%
Total Committed Reserves	**$ 62,496,189**	**$ 43,878,336**	**$ 62,251,770**	**$ 57,266,874**	**$ 13,388,538**	**30.5%**
TOTAL YEAR-END RESERVES	**$ 120,963,196**	**$ 100,797,417**	**$ 125,408,723**	**$ 122,795,564**	**$ 21,998,147**	**21.8%**
UNCOMMITED FUNDS			**$ —**	**$ —**		
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries & Benefits	$ 49,017,544	$ 53,041,445	$ 53,059,152	$ 57,187,636	$ 4,146,191	7.8%
Salary Savings Factor	—	(1,401,905)	(1,401,905)	(1,535,415)	(133,510)	9.5%
Services & Supplies	90,641,236	92,736,281	92,736,281	97,562,915	4,826,634	5.2%
Intra-District Charges	31,628,959	33,235,776	33,247,081	31,659,250	(1,576,526)	(4.7)%
OPERATING OUTLAY TOTAL	**$ 171,287,739**	**$ 177,611,597**	**$ 177,640,609**	**$ 184,874,386**	**$ 7,262,789**	**4.1%**
DEBT SERVICE						
Services & Supplies	$ 545,373	$ 2,219,400	$ 2,219,400	$ 3,538,780	$ 1,319,380	59.4%
Debt Service	25,171,741	39,666,370	39,666,370	40,335,515	669,145	1.7%
DEBT SERVICE TOTAL	**$ 25,717,114**	**$ 41,885,770**	**$ 41,885,770**	**$ 43,874,295**	**$ 1,988,525**	**4.7%**
CAPITAL PROJECTS						
Salaries & Benefits	$ 11,975,961	$ 15,277,567	$ 17,399,836	$ 17,433,734	$ 2,156,167	14.1%
Salary Savings Factor	—	(419,651)	(419,651)	(484,633)	(64,982)	15.5%
Services & Supplies	105,379,960	84,694,745	91,635,938	106,946,135	22,251,390	26.3%
Carry Forward Capital Projects	—	14,614,126	—	19,239,000	4,624,874	31.6%
Intra-District Charges	7,542,618	9,663,587	11,055,382	9,561,473	(102,114)	(1.1)%
CAPITAL PROJECTS TOTAL	**$ 124,898,539**	**$ 123,830,374**	**$ 119,671,505**	**$ 152,695,709**	**$ 28,865,335**	**23.3%**
TOTAL OUTLAYS**	**$ 321,903,392**	**$ 343,327,741**	**$ 339,197,884**	**$ 381,444,390**	**$ 38,116,649**	**11.1%**

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

Water Enterprise Fund

Description

The Water Utility Enterprise is committed to providing safe, reliable water to Santa Clara County now and for future generations. Presently, it ensures the availability of water to 15 cities, farmers, and individual well owners spread over 1,300 square miles, with Valley Water-managed usage estimated to total 239,000 acre-feet (AF) in FY 2019-20.

This requires the operation of the following facilities:

- 10 surface reservoirs with a total operationally restricted storage capacity of 113,667 AF
- 17 miles of canals
- 4 water supply diversion dams
- 99 groundwater recharge ponds
- 86 miles of controlled in-stream recharge in the county
- 142 miles of pipelines
- 3 water treatment plants
- 1 Advanced Water Purification Center
- 3 Raw Water Pump Stations with over 37,000 combined horsepower
- 1 well field

Activities of the Water Utility are segregated into the Water Utility Enterprise Fund and the State Water Project Fund. For the Water Utility Enterprise Fund, revenue is derived from treated, surface and recycled water sales; groundwater production charges; federal, state and local grants; interest earnings; and ad valorem taxes as provided by law. The Water Enterprise Fund accounts for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Water Utility Enterprise Fund accounts for all costs except those of the State Water Project Fund. The State Water Project Fund accounts specifically for state water project tax revenue and state water project contractual costs.

The FY 2019-20 adopted budget includes North County (Zone W-2) groundwater production charges that reflect a 6.6% increase over the prior year for municipal and industrial water. The agricultural water charge reflects a 6.8% increase over the prior year or 6.0% of the recommended South County Municipal and Industrial and results in a charge of $28.86 per AF. The approved Municipal and Industrial groundwater production charge for North County is $1,374 per AF. The approved total treated water contract charge is $1,474 per AF.

Also included in the FY 2019-20 adopted budget are South County (Zone W-5) groundwater production charges that reflect a 6.9% increase over the prior year for municipal and industrial water. The agricultural water charge reflects a 6.8% increase over the prior year or 6.0% of the recommended South County Municipal and Industrial rate and results in a charge of $28.86 per AF. The approved Municipal and Industrial groundwater production charge for South County is $481 per AF.

Estimated total revenue for FY 2019-20 is $320.7 million ($301.7 million for fund 61 and $19.0 million for fund 63), or 16.2% more than the FY 2018-19 budget. Operations costs (excluding debt service) are expected to be $184.9 million for both funds. This represents a (4.1%) increase from the FY 2018-19 budget. The cost of purchased water from the federal and state projects continues to be the largest expense item at $23.1 million and $25.1 million, respectively. The budget also includes $10.4 million to pay the Valley Water's capital cost obligations for the federal San Felipe Division of the Central Valley Project.

Debt service is budgeted at $43.9 million.

In FY 2019-20 the capital appropriation is estimated to

be $133.5 million and capital carry forward is estimated at $19.2 million. For FY 2019-20, total requirements of $152.7 million are to be met from a combination of current revenues, reserves, and debt.

The approved water charges will generate $277.3 million in revenues from water usage. Capital reimbursements are estimated at $11.8, property tax revenues are projected to be $25.5 million, and interest earnings and other revenue are estimated to be $6.1 million for a total of $320.7 million.

Total reserves for both funds are $122.8 million, an increase of $22.0 million relative to FY 2018-19.

Significant Business Challenges/ Opportunities

- Support the Board in achieving the Board Budget Goals to Ensure Current And Future Water Supply For Municipalities, Industries, Agriculture, And The Environment Is Reliable through funding for the following Board Strategies: Finalize the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE); Actively pursue efforts to increase water storage opportunities; Actively participate in decisions regarding the California water conveyance project; Lead recycled and purified water efforts with the City of San Jose and other agencies; Engage and educate the community, local elected officials and staff on future water supply strategies in Santa Clara County; and, Advance Anderson Dam seismic retrofit project.
- In Conjunction with the San Benito County Water District and Pacheco Pass Water District, Valley Water continues to explore the possibility of expanding the existing Pacheco Reservoir on the North Fork Pacheco Creek in south-east Santa Clara County. The project is envisioned to expand the 5,500-acre foot reservoir to 140,000-acre feet, thereby reducing the frequency and severity of water shortages, increasing emergency water supplies, improving water quality, providing flood protection for disadvantaged communities, and protecting and growing the native steelhead population.
- Participating in the planning and evaluation of storage projects like Sites Reservoir and Los Vaqueros Reservoir. This includes evaluation of potential benefits to the Valley Water as well as seeking funding opportunities to offset potential project costs.
- Continuing to resolve issues and pursuing regulatory actions conducive to the best possible opportunity for the Valley Water to participate in the California water conveyance project.
- Managing operation of local reservoirs with regard to seismic stability issues.
- Within approved budgets, providing the required level of supply, treatment, delivery, and renewal of aging infrastructure.
- Meeting or surpassing all drinking water standards and delivering approximately 100,000 acre feet of water to fulfill treated water contracts. Operating Rinconada, Penitencia, and Santa Teresa water treatment plants and SFPUC/SCVWD Intertie to deliver treated water during scheduled outages for planned inspection/rehabilitation of the Cross Valley and Calero Pipelines.
- Continuing construction of the Rinconada Water Treatment Plant Reliability Improvement Project.
- Continuing seismic retrofit design of Anderson, Calero, and Guadalupe dams; design of improvements at Almaden Dam; and seismic evaluations of Chesbro, Coyote, and Uvas dams.
- Completing the Countywide Water Reuse Master Plan effort and securing one or more agreements with wastewater agency partners to expand purified water supply systems and enhance long-term reliability of supply.
- Resolving the Three Creeks water rights issues through meeting the FAHCE settlement agreement commitments; focusing on completion of the Fish Habitat Restoration Plan and CEQA documentation to support an application to the State Water Resources Control Board.

Major Capital Projects

E 2.1 Current and future water supplies are reliable

- Anderson Dam Seismic Retrofit – Design
- Calero and Guadalupe Dams Seismic Retrofits – Design
- Dam Safety Program Seismic Stability – Continuing evaluation
- Expedited Purified Water Program - Public-Private Partnership (P3) Procurement
- Coyote Pumping Plant ASD Replacement - Planning

E 2.2 Raw water transmission & distribution assets ensure reliability and efficiency

- Cross Valley and Calero Pipeline - Rehabilitation Project – Inspection/Construction
- Vasona Pumping Plant Upgrades – Planning/ Design
- Raw Water Transmission Small Capital Improvements – Ongoing

E 2.3 Reliable high quality drinking water is delivered

- RWTP Reliability Improvement - Construction
- RWTP Residuals Remediation – Design
- STWTP and PWTP Electrical System Improvements – Planning
- STWTP Filter Media Replacement - Planning
- Water Treatment Small Capital Improvements – Ongoing

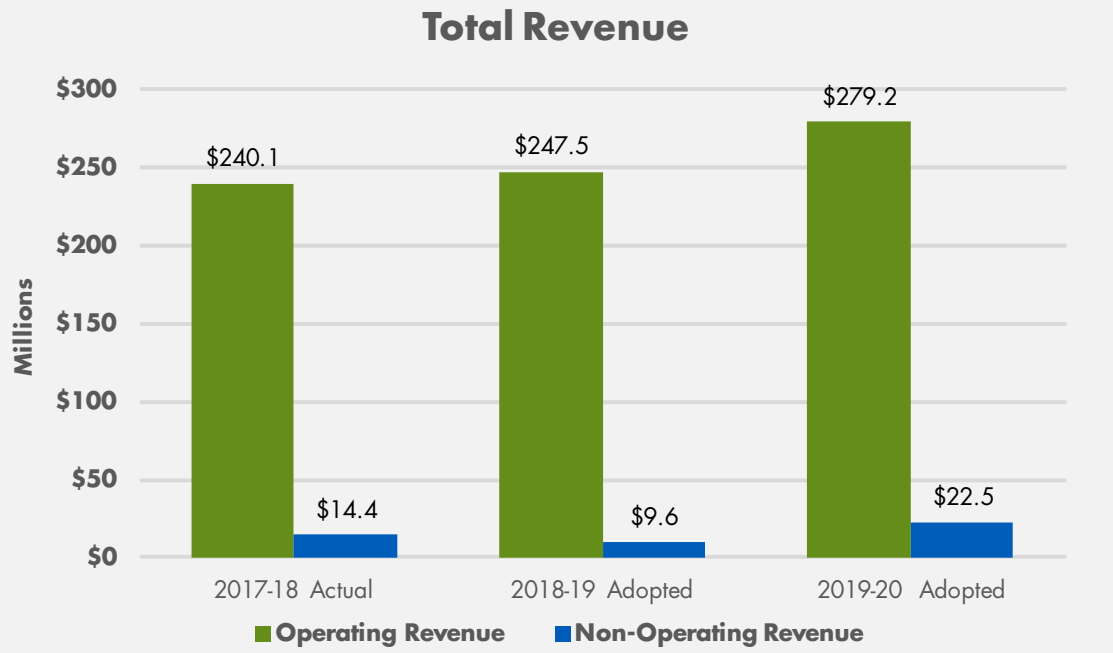
Fiscal Status

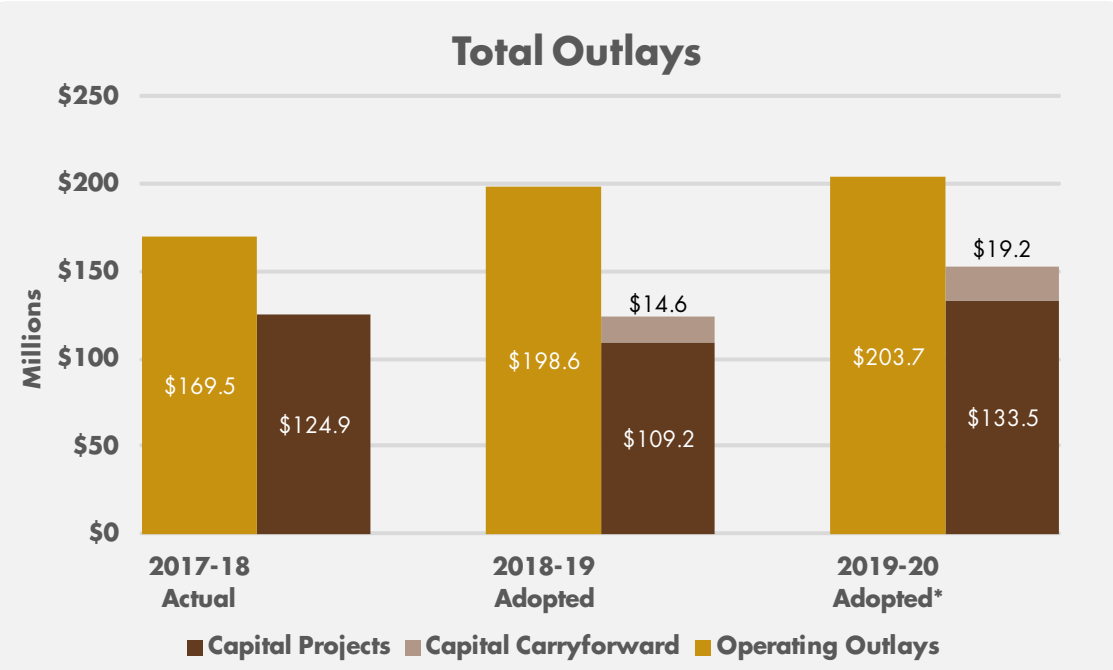
The debt service coverage ratio is targeted at 2.0 or higher to help ensure financial stability and continued high credit ratings. Discretionary reserves are targeted at a minimum per the Valley Water's policy.

Budget Issues

Staff assumed that revenue from water charges is based on Valley Water water use of 239,000 AF. This represents a 5.7% increase year over year, but also represents a 16% reduction relative to calendar year 2013 actual. Staff also assumed a debt issuance of $59.6 million to help finance critical investments in water supply infrastructure.

Water Enterprise Fund (Fund 61)





*Capital projects includes current year budget and prior year capital budget carry forward in the lighter shade

Water Enterprise Fund Summary (Fund 61)

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted $ Diff	Change from 2018-19 Adopted % Diff
REVENUE						
Operating Revenue						
Groundwater Production Charges	$ 97,482,517	$ 90,696,000	$ 90,696,000	$ 105,036,000	$ 14,340,000	15.8%
Treated Water Charges	132,476,810	152,787,000	152,787,000	169,519,000	16,732,000	11.0%
Surface&Recycled Water Charges	1,040,878	2,653,000	2,653,000	2,821,000	168,000	6.3%
Intergovernmental Services	4,396,464	625,000	735,000	1,237,000	612,000	97.9%
Operating Other	4,706,248	735,000	625,000	625,000	(110,000)	(15.0)%
Total Operating Revenue	**$ 240,102,917**	**$ 247,496,000**	**$ 247,496,000**	**$ 279,238,000**	**$ 31,742,000**	**12.8%**
Non-Operating Revenue						
Property Tax	$ 7,087,504	$ 6,962,471	$ 7,314,212	$ 7,451,232	$ 488,761	7.0%
Capital Reimbursements	4,350,071	1,355,000	5,480,000	11,856,000	10,501,000	775.0%
Interest Income *	2,406,091	1,084,000	2,640,000	2,800,000	1,716,000	158.3%
Nonoperating Other	512,048	200,000	200,000	392,000	192,000	96.0%
Total Non-Operating Revenue	**$ 14,355,714**	**$ 9,601,471**	**$ 15,634,212**	**$ 22,499,232**	**$ 12,897,761**	**134.3%**
TOTAL REVENUE	**$ 254,458,631**	**$ 257,097,471**	**$ 263,130,212**	**$ 301,737,232**	**$ 44,639,761**	**17.4%**
OUTLAYS						
Operating Outlays						
Operations **	$ 143,526,509	$ 156,378,005	$ 156,407,017	$ 159,496,041	$ 3,118,036	2.0%
Operating Project	222,064	338,884	338,884	310,764	(28,120)	(8.3)%
Debt Service	25,717,114	41,885,770	41,885,770	43,874,295	1,988,525	4.7%
Total Operating Outlays	**$ 169,465,687**	**$ 198,602,659**	**$ 198,631,671**	**$ 203,681,100**	**$ 5,078,441**	**2.6%**
Capital Outlays						
Capital Projects	$ 124,898,539	$ 109,216,248	$ 119,671,505	$ 133,456,709	$ 24,240,461	22.2%
Carry Forward Capital Projects	—	14,614,126	$	19,239,000	4,624,874	31.6%
Total Capital Outlays	**$ 124,898,539**	**$ 123,830,374**	**$ 119,671,505**	**$ 152,695,709**	**$ 28,865,335**	**23.3%**
TOTAL OUTLAYS**	**$ 294,364,226**	**$ 322,433,033**	**$ 318,303,176**	**$ 356,376,809**	**$ 33,943,776**	**10.5%**
OTHER FINANCING SOURCES/(USES)						
Bond Proceeds	$ —	$ 64,193,000	$ 64,193,000	$ 59,559,000	$ (4,634,000)	(7.2)%
Commercial Paper Proceeds	51,570,000	—	—	—	—	—
Transfers In	3,252,000	1,228,000	1,228,000	1,013,000	(215,000)	(17.5)%
Transfers Out	(11,477,048)	(5,937,166)	(3,907,800)	(2,478,000)	3,459,166	(58.3)%
TOTAL OTHER SOURCES/(USES)	**$ 43,344,952**	**$ 59,483,834**	**$ 61,513,200**	**$ 58,094,000**	**$ (1,389,834)**	**(2.3)%**
BALANCE AVAILABLE	**$ 3,439,357**	**$ (5,851,728)**	**$ 6,340,236**	**$ 3,454,423**	**$ 9,306,151**	**(159.0)%**

Water Enterprise Fund Summary (Fund 61) (Continued)

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted $ Diff	Change from 2018-19 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization	$ 21,066,011	$ 22,477,551	$ 22,477,551	$ 23,467,000	$ 989,449	4.4%
WUE San Felipe Emergency	3,039,874	3,053,130	3,053,130	3,103,000	49,870	1.6%
WUE Public-Private Partnership (P3) Reserve	—	4,000,000	4,000,000	8,000,000	4,000,000	100.0%
WUE Water Supply	14,677,141	14,677,000	14,677,000	15,077,000	400,000	2.7%
WUE SVAWPC	1,906,000	986,000	1,066,000	1,066,000	80,000	8.1%
WUE Drought Reserve	5,000,000	7,000,000	7,000,000	10,000,000	3,000,000	42.9%
Total Restricted Reserves	**$ 45,689,026**	**$ 52,193,681**	**$ 52,273,681**	**$ 60,713,000**	**$ 8,519,319**	**16.3%**
Committed Reserves						
Currently Authorized Projects ***	$ 42,010,193	$ 6,599,468	$ 35,069,000	$ 15,830,000	$ 9,230,532	139.9%
Operating and Capital Reserve	20,485,996	37,278,868	27,182,770	41,436,874	4,158,006	11.2%
Total Committed Reserves	**$ 62,496,189**	**$ 43,878,336**	**$ 62,251,770**	**$ 57,266,874**	**$ 13,388,538**	**30.5%**
TOTAL YEAR-END RESERVES	**$ 108,185,215**	**$ 96,072,017**	**$ 114,525,451**	**$ 117,979,874**	**$ 21,907,857**	**22.8%**
UNCOMMITED FUNDS			**$ —**	**$ —**		

Outlay Summary by Account Type

OPERATING OUTLAY						
Salaries & Benefits	$ 49,017,544	$ 53,041,445	$ 53,059,152	$ 57,187,636	$ 4,146,191	7.8%
Salaries Savings Factor	—	(1,401,905)	(1,401,905)	(1,535,415)	(133,510)	9.5%
Services & Supplies	63,102,070	71,841,572	71,841,572	72,495,333	653,761	0.9%
Intra-District Charges	31,628,959	33,235,776	33,247,081	31,659,250	(1,576,526)	(4.7)%
OPERATING OUTLAY TOTAL	**$ 143,748,573**	**$ 156,716,888**	**$ 156,745,900**	**$ 159,806,804**	**$ 3,089,916**	**2.0%**
DEBT SERVICE						
Services & Supplies	$ 545,373	$ 2,219,400	$ 2,219,400	$ 3,538,780	$ 1,319,380	59.4%
Debt Service	25,171,741	39,666,370	39,666,370	40,335,515	669,145	1.7%
DEBT SERVICE TOTAL	**$ 25,717,114**	**$ 41,885,770**	**$ 41,885,770**	**$ 43,874,295**	**$ 1,988,525**	**4.7%**
CAPITAL PROJECTS						
Salaries & Benefits	$ 11,975,961	$ 15,277,567	$ 17,399,836	$ 17,433,734	$ 2,156,167	14.1%
Salaries Savings Factor	—	(419,651)	(419,651)	(484,633)	(64,982)	15.5%
Services & Supplies	105,379,960	84,694,745	91,635,938	106,946,135	22,251,390	26.3%
Carry Forward Capital Projects	—	14,614,126	—	19,239,000	4,624,874	31.6%
Intra-District Charges	7,542,618	9,663,587	11,055,382	9,561,473	(102,114)	(1.1)%
CAPITAL PROJECTS TOTAL	**$ 124,898,539**	**$ 123,830,374**	**$ 119,671,505**	**$ 152,695,709**	**$ 28,865,335**	**23.3%**
TOTAL OUTLAYS**	**$ 294,364,226**	**$ 322,433,032**	**$ 318,303,175**	**$ 356,376,808**	**$ 33,943,776**	**10.5%**

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

Water Enterprise Charge Summary

	Adopted 2015/16	Adopted 2016/17	Adopted 2017/18	Adopted 2018/19	Adopted 2019/20
Groundwater Production					
Zone W-2					
Agricultural	21.36	23.59	25.09	27.02	28.86
Non-Agricultural	894.00	1,072.00	1,175.00	1,289.00	1,374.00
Zone W-5					
Agricultural	21.36	23.59	25.09	27.02	28.86
Non-Agricultural	356.00	393.00	418.00	450.00	481.00
Treated Water					
Contract (Scheduled)[2]	994.00	1,172.00	1,275.00	1,389.00	1,474.00
Non-Contract[3]	1,094.00	1,122.00	1,225.00	1,339.00	1,574.00
Untreated Water (Basic User Charge)					
Zone W-2					
Agricultural	21.36	23.59	25.09	27.02	28.86
Non-Agricultural	894.00	1,072.00	1,175.00	1,289.00	1,374.00
Zone W-5					
Agricultural	21.36	23.59	25.09	27.02	28.86
Non-Agricultural	356.00	393.00	418.00	450.00	481.00
Water Master[1]	22.60	27.46	33.36	35.93	37.50
Minimum Charge					
Zone W-2 Non-Agricultural	670.50	804.00	881.25	966.75	1,030.50
Zone W-5 Non-Agricultural	267.00	294.75	313.50	337.50	360.75
Zone W-2 Agricultural	16.02	17.69	18.82	20.27	21.65
Zone W-5 Agricultural	16.02	17.69	18.82	20.27	21.65
Reclaimed Water					
Gilroy Reclamation Facility					
Agricultural	45.16	47.38	48.88	54.41	56.25
Non-Agricultural	336.00	373.00	398.00	430.00	461.00

(1) The surface water charge is the sum of the basic user charge (which equals the groundwater production charge) plus the water master charge
(2) The total treated water contract charge is the sum of the basic user charge (which equals the groundwater production charge) plus the contract surcharge
(3) The total treated water non-contract charge is the sum of the basic user charge (which equals the groundwater production charge) plus the non-contract surcharge

Water Utility Cost Allocation

Job #	Job Description	South County %	South County Cost $	North County Cost $	Adopted 2019-2020	Basis of Allocation to the South
Operations						
91041012	Water Operations Planning	17.9%	$ 121,229	$ 556,028	$ 677,257	Raw Water Deliveries
91041018	Groundwater Management Program	42.3%	1,879,072	2,563,178	4,442,250	Groundwater Production Ratio
91061007	Districtwide Salary Savings	13.6%	(208,816)	(1,326,598)	(1,535,415)	M&I Water Usage Ratio
91061012	Facilities Env Compliance	17.9%	6,801	31,194	37,995	Raw Water Deliveries
91081007	Dam Safety Program	14.4%	230,332	1,369,196	1,599,528	Program Benefit Calculation
91101004	Recycled & Purified Water Program	5.7%	330,928	5,474,826	5,805,754	Population
91111001	Water Rights	17.9%	112,961	518,107	631,069	Raw Water Deliveries
91131004	Imported Water Program	12.7%	602,551	4,141,946	4,744,497	Imported Water Ratio
91131006	IW San Felipe Division Delvrs	20.7%	4,777,657	18,302,810	23,080,467	Program Benefit Calculation
91131007	IW South Bay Aqueduct Delvrs	—	—	2,535,887	2,535,887	No South County Benefit
91151001	Water Conservation Program	7.3%	448,808	5,699,253	6,148,061	Program Benefit Calculation
91151012	Recycled/Purified Water Public Engagement	5.7%	46,217	764,610	810,827	Population
91151013	Water Banking Operations	12.7%	317,737	2,184,133	2,501,870	Imported Water Ratio
91211004	San Felipe Reach 1 Operation	20.8%	157,240	598,723	755,963	CVP Imported Water Ratio
91211005	SFD Reach 1 Administration	20.8%	844	3,213	4,056	CVP Imported Water Ratio
91211084	San Felipe Reach1 Ctrl and Ele	20.8%	85,885	327,023	412,907	CVP Imported Water Ratio
91211085	SF Reach 1- Engineering - Other	20.8%	45,767	174,268	220,036	CVP Imported Water Ratio
91211099	San Felipe Reach 1 Gen Maint	20.8%	182,168	693,638	875,806	CVP Imported Water Ratio
91221002	San Felipe Reach 2 Operation	20.8%	29,467	112,202	141,669	CVP Imported Water Ratio
91221006	SF Reach 2- Engineering - Other	20.8%	45,019	171,419	216,438	CVP Imported Water Ratio
91221099	San Felipe Reach 2 Gen Maint	20.8%	32,057	122,065	154,122	CVP Imported Water Ratio
91231002	San Felipe Reach 3 Operation	20.8%	62,730	238,858	301,589	CVP Imported Water Ratio
91231084	San Felipe Reach3 Ctrl and Ele	20.8%	48,430	184,406	232,836	CVP Imported Water Ratio
91231085	SF Reach 3- Engineering - Other	20.8%	15,679	59,702	75,381	CVP Imported Water Ratio
91231099	San Felipe Reach 3 Gen Maint	20.8%	218,863	833,361	1,052,224	CVP Imported Water Ratio

Water Utility Cost Allocation (Continued)

Job #	Job Description	South County %	South County Cost $	North County Cost $	Adopted 2019-2020	Basis of Allocation to the South
91251001	Transfer Bethany Pipeline	—	—	1,940,241	1,940,241	No South County Benefit
91281007	SVAWPC Facility Operations	—	—	2,428,854	2,428,854	No South County Benefit
91281008	SVAWPC Facility Maintenance	—	—	1,784,953	1,784,953	No South County Benefit
91441003	Ocean & Brackish Desalination	13.6%	9,973	63,360	73,334	M&I Water Usage Ratio
91451002	Well Ordinance Program	20.3%	372,442	1,462,246	1,834,687	Well Permits and Inpections
91451005	Source Water Quality Mgmt	13.6%	49,405	313,866	363,271	M&I Water Usage Ratio
91451011	Invasive Mussel Prevention	17.9%	109,022	500,041	609,063	Raw Water Deliveries
91601001	California WaterFix	12.7%	680,053	4,678,918	5,358,971	Imported Water Ratio
91761001	Local Res / Div Plan & Analysis	22.4%	316,005	1,094,732	1,410,737	Total Water Deliveries Ratio
91761013	SCADA Systems Upgrades	20.8%	44,478	169,360	213,838	CVP Imported Water Ratio
91761099	Dams / Reservoir Gen Maint	22.0%	728,681	2,583,504	3,312,185	Program Benefit Calculation
92041014	FAHCE/Three Creeks HCP Project	7.1%	270,539	3,539,875	3,810,415	Coyote Water Supply Ratio
92061012	Facilities Env Compliance	17.9%	12,242	56,148	68,390	Raw Water Deliveries
92261099	Vasona Pump Station Gen Main	—	—	199,688	199,688	No South County Benefit
92761001	Raw Water T and D Genrl Oper	17.9%	270,765	1,241,890	1,512,655	Raw Water Deliveries
92761008	Recycled Water T&D Genrl Maint	100.0%	288,863	—	288,863	Benefits only South County
92761009	Recharge/RW Field Ops	36.4%	1,155,123	2,018,291	3,173,414	Groundwater Recharge Ratio
92761010	Rchrg / RW Field Fac Maint	36.4%	751,411	1,312,906	2,064,317	Groundwater Recharge Ratio
92761012	Untreated Water Program Plan & Analysis	53.9%	58,618	50,135	108,753	Untreated Water Deliveries Ratio
92761013	SCADA Systems Upgrades	17.9%	21,873	100,321	122,193	Raw Water Deliveries
92761082	Raw Water T&D Ctrl and Electr	17.9%	117,406	538,493	655,898	Raw Water Deliveries
92761083	Raw Water T&D Eng Other	17.9%	92,767	425,485	518,253	Raw Water Deliveries
92761085	Anderson Hydrelctrc Fclty Main	13.6%	22,227	141,206	163,433	Anderson Water Deliveries Ratio
92761099	Raw Water T / D Gen Maint	17.9%	371,923	1,705,859	2,077,782	Raw Water Deliveries
92781002	Raw Water Corrosion Control	17.9%	85,856	393,786	479,641	Raw Water Deliveries

Water Utility Cost Allocation (Continued)

Job #	Job Description	South County %	South County Cost $	North County Cost $	Adopted 2019-2020	Basis of Allocation to the South
93061012	Facilities Env Compliance	—	—	463,535	463,535	No South County Benefit
93081008	W T General Water Quality	—	—	2,219,219	2,219,219	No South County Benefit
93081009	Water Treatment Plant Engineering	—	—	678,842	678,842	No South County Benefit
93231007	PWTP Landslide Monitoring	—	—	2,165	2,165	No South County Benefit
93231009	PWTP General Operations	—	—	5,224,820	5,224,820	No South County Benefit
93231099	Penitencia WTP General Maint	—	—	2,490,903	2,490,903	No South County Benefit
93281005	STWTP - General Operations	—	—	5,272,219	5,272,219	No South County Benefit
93281099	Santa Teresa WTP General Maint	—	—	3,243,877	3,243,877	No South County Benefit
93291012	RWTP General Operations	—	—	8,306,554	8,306,554	No South County Benefit
93291099	Rinconada WTP General Maint	—	—	3,722,024	3,722,024	No South County Benefit
93401002	Water District Laboratory	5.3%	270,086	4,825,872	5,095,958	Lab Analyses
93761001	SF/SCVWD Intertie General Ops	—	—	219,853	219,853	No South County Benefit
93761004	Campbell Well Field Operations	—	—	86,860	86,860	No South County Benefit
93761005	Campbell Well Field Maintenance	—	—	93,513	93,513	No South County Benefit
93761006	Treated Water Ctrl & Elec Eng	—	—	2,316,887	2,316,887	No South County Benefit
93761013	SCADA Systems Upgrades	—	—	358,943	358,943	No South County Benefit
93761099	SF/SCVWD Intertie Gen Maint	—	—	417,252	417,252	No South County Benefit
94761005	TW T&D - Engineering - Other	—	—	422,017	422,017	No South County Benefit
94761013	SCADA Systems Upgrades	—	—	68,734	68,734	No South County Benefit
94761099	Treated Water T/D Gen Maint	—	—	1,337,157	1,337,157	No South County Benefit
94781001	Treated Water T/D Corrosion	—	—	415,167	415,167	No South County Benefit
95001090	Unscoped Projects-Budget Only	13.6%	13,600	86,400	100,000	M&I Water Usage Ratio
95011003	WU Asset Protection Support	2.4%	27,849	1,132,514	1,160,363	Program Benefit Calculation
95021008	Energy Management	1.5%	3,112	200,269	203,381	Labor Hours
95031002	Grants Management	41.6%	166,427	233,638	400,066	Program Benefit Calculation
95041039	Integrated Regional Water Mgmt	13.6%	14,443	91,754	106,197	M&I Water Usage Ratio

Water Utility Cost Allocation (Continued)

Job #	Job Description	South County %	South County Cost $	North County Cost $	Adopted 2019-2020	Basis of Allocation to the South
95061012	Rental Expense San Pedro,MH	100.0%	31,531	—	31,531	Benefits only South County
95061038	WUE Administration	13.6%	934,897	5,939,348	6,874,245	M&I Water Usage Ratio
95061043	WUE TW Div Admin Support	—	—	3,591,177	3,591,177	No South County Benefit
95061045	Asset Management Program	13.6%	242,974	1,543,598	1,786,572	M&I Water Usage Ratio
95061047	WUE Technical Training Program	13.6%	71,753	455,840	527,593	M&I Water Usage Ratio
95061048	Climate Change Adaptation/Mtg.	13.6%	20,619	130,992	151,612	M&I Water Usage Ratio
95071041	Welding Services	1.8%	8,140	446,631	454,772	Program Benefit Calculation
95101003	W2 W5 Water Revenue Program	63.0%	887,201	521,055	1,408,255	Labor Hours
95111003	Water Use Measurement	46.1%	840,707	982,952	1,823,659	Labor Hours
95121003	LT Financial Planning & Rate Setting	13.6%	72,616	461,326	533,943	M&I Water Usage Ratio
95151002	WU Customer Relations & Outreach	5.7%	27,832	460,441	488,273	Population
95741001	Water Supply Planning	13.6%	199,567	1,267,837	1,467,404	M&I Water Usage Ratio
95741042	Water Resorcs EnvPlng & Permtg	18.0%	197,388	899,214	1,096,602	Program Benefit Calculation
95761003	SCADA Network Administration	2.8%	6,521	226,362	232,883	Program Benefit Calculation
95761071	Emergency Management	5.7%	56,225	930,184	986,410	Population
95771011	Inter Agency Urban Runoff Program	17.9%	88,609	406,414	495,023	Raw Water Deliveries
95771031	HAZMAT Emergency Response	8.3%	6,678	73,778	80,456	Emergency Response Events
95811043	Hydrologic Data Msrmt & Mgmt	26.0%	262,581	747,346	1,009,927	Stream Gauge location
95811046	Warehouse Services	13.6%	88,941	565,038	653,979	M&I Water Usage Ratio
95811049	X Valley Subsidence Survey	8.1%	44,423	504,007	548,430	No South County Benefit
95811054	District Real Property Administration	—	—	329,887	329,887	Program Benefit Calculation
91131008	State Water Project Costs	—	—	25,067,582	25,067,582	No South County Benefit
Operations Total			**$ 20,004,018**	**$ 164,559,603**	**$ 184,563,624**	
Operating Projects						
95762011	Tree Maintenance Program	13.6%	$ 42,264	$ 268,500	$ 310,764	M&I Water Usage Ratio
Operating Projects Total			**$ 42,264**	**$ 268,500**	**$ 310,764**	
TOTAL	**OPERATIONS AND OPERATING**		**$ 20,046,282**	**$ 164,828,103**	**$ 184,874,388**	

Total Outlays - Source of Supply

	Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
Operations							
	91041012	Water Operations Planning	396,622	505,833	677,257		Raw Water Operations & Maintenance Division
	91041018	Groundwater Management Program	4,096,072	4,265,095	4,442,250		Water Supply Division
	91061007	Districtwide Salary Savings-61		(1,401,905)	(1,535,415)		Financial Planning and Management Services Division
*	91061012	Facilities Env Compliance	38,581	41,870	37,995		Office of COO IT and Admin Services
	91081007	Dam Safety Program	1,734,641	1,716,562	1,599,528		Dam Safety and Capital Delivery Division
	91101004	Recycled & Purified Water Prog	8,523,993	6,657,557	5,805,754		Water Supply Division
	91111001	Water Rights	305,281	394,569	631,069		Raw Water Operations & Maintenance Division
	91131004	Imported Water Program	5,355,624	17,650,715	4,744,497		Water Supply Division
	91131006	IW San Felipe Division Delvrs	20,859,209	18,275,157	23,080,467		Water Supply Division
	91131007	IW South Bay Aqueduct Delvrs	7,990,885	5,375,500	2,535,887		Water Supply Division
	91151001	Water Conservation Program	3,932,316	6,185,507	6,148,061		Water Supply Division
	91151012	Recycld/PurifiedWaterPublicEng	922,890	821,900	810,827		Office of Chief of External Affairs
	91151013	Water Banking Operations			2,501,870		Water Supply Division
	91211004	San Felipe Reach 1 Operation	612,327	755,184	755,963		Raw Water Operations & Maintenance Division
	91211005	SFD Reach 1 Administration	12,375	10,100	4,056		Raw Water Operations & Maintenance Division
	91211084	San Felipe Reach1 Ctrl and Ele	349,469	438,899	412,907		Raw Water Operations & Maintenance Division
	91211085	SF Reach 1-Engineering - Other	103,978	76,360	220,036		Raw Water Operations & Maintenance Division
	91211099	San Felipe Reach 1 Gen Maint	809,381	824,035	875,806		Raw Water Operations & Maintenance Division
	91221002	San Felipe Reach 2 Operation	59,720	141,049	141,669		Raw Water Operations & Maintenance Division
	91221006	SF Reach 2-Engineering - Other	77,265	232,014	216,438		Raw Water Operations & Maintenance Division
	91221099	San Felipe Reach 2 Gen Maint	72,163	153,105	154,122		Raw Water Operations & Maintenance Division
	91231002	San Felipe Reach 3 Operation	196,288	479,349	301,589		Raw Water Operations & Maintenance Division
	91231084	San Felipe Reach3 Ctrl and Ele	317,207	446,302	232,836		Raw Water Operations & Maintenance Division
	91231085	SF Reach 3-Engineering - Other	22,357	196,591	75,381		Raw Water Operations & Maintenance Division

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Total Outlays - Source of Supply (Continued)

	Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
	91231099	San Felipe Reach 3 Gen Maint	1,045,338	904,947	1,052,224		Raw Water Operations & Maintenance Division
	91251001	Transfer_Bethany Pipeline			1,940,241		Water Supply Division
	91281007	SVAWPC Facility Operations	2,433,785	2,546,168	2,428,854		Treated Water Operations & Maintenance Division
	91281008	SVAWPC Facility Maintenance	1,963,759	1,385,208	1,784,953		Treated Water Operations & Maintenance Division
	91441003	Ocean & Brackish Desalination	12,188		73,334		Water Supply Division
	91451002	Well Ordinance Program	1,607,167	1,436,643	1,834,687		Water Supply Division
	91451005	Source Water Quality Mgmt	373,715	321,500	363,271		Treated Water Operations & Maintenance Division
	91451011	Invasive Mussel Prevention	535,751	598,544	609,063		Treated Water Operations & Maintenance Division
	91601001	California WaterFix			5,358,971		Water Supply Division
	91761001	Local Res/Div Plan & Analysis	1,368,302	1,388,235	1,410,737		Raw Water Operations & Maintenance Division
*	91761013	SCADA Systems Upgrades	37,001	144,648	213,838		Raw Water Operations & Maintenance Division
	91761099	Dams / Reservoir Gen Maint	2,071,989	2,573,100	3,312,185		Dam Safety and Capital Delivery Division
Total Operations			**68,237,636**	**75,540,344**	**75,253,208**		
Capital							
	91084019	Dam Safety Seismic Stability	1,233,009	1,093,043	630,908		Dam Safety and Capital Delivery Division
	91084020	Calero-Guad Dams Seismic Retro	1,539,593			340,000	Dam Safety and Capital Delivery Division
	91094009	SoCo Rcyld Wtr PL Short-Trm 1B	750,053			2,842,000	Water Utility Capital Division
	91094010	So. County Recycled Water Fund	3,062,037			401,000	Water Supply Division
	91154007	Water Purchases Captl Project	9,715,169	10,056,930	10,410,713		Water Supply Division
	91184008	SV Adv Wtr Purification Ctr	2,929				Water Utility Capital Division
	91214001	Pacheco Conduit Rehabilitation	4,779,585				Raw Water Operations & Maintenance Division
	91214010	Small Caps, San Felipe R1	2,426,930	2,901,283	5,715,984		Raw Water Operations & Maintenance Division
	91224010	Small Caps, San Felipe R2	16,979	595,125	866,440		Raw Water Operations & Maintenance Division
	91234002	Coyote Pumping Plant ASD	236,884	697,862	1,026,846		Water Utility Capital Division
	91234010	Small Caps, San Felipe R3	1,055,196	205,000	850,000		Raw Water Operations & Maintenance Division
	91234011	Coyote Warehouse	595,902	1,033,913	2,481,995	881,000	Water Utility Capital Division

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Total Outlays - Source of Supply (Continued)

Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
91244001	Wolfe Rd Recycled Wtr Facility	503,140				Dam Safety and Capital Delivery Division
91284009	SVAWPC Expansion Project	4,217				Water Utility Capital Division
91304001	Indirect Potable Reuse-Plan	3,627,569	3,493,141	2,479,965		Water Utility Capital Division
91384001	Purified Water Pipeline	1,993				Water Utility Capital Division
91854001	Almaden Dam Improvements	486,312	3,764,122		793,000	Dam Safety and Capital Delivery Division
91864005	Anderson Dam Seismic Retrofit	7,174,962	10,561,864	4,178,595		Dam Safety and Capital Delivery Division
91874004	Calero Dam SeisRetrfit Des&Con	2,367,002	1,712,856	407,999	115,000	Dam Safety and Capital Delivery Division
91894002	Guadalupe Dam SeisRetf Des&Con	1,022,524	198,525	788,999	256,000	Dam Safety and Capital Delivery Division
91954001	Pacheco PP ASD Replacement	13				Water Utility Capital Division
91954002	Pacheco Reservoir ExpansionPrj			42,056,108	42,000	Dam Safety and Capital Delivery Division
Total Capital		**40,601,999**	**36,313,662**	**71,894,552**	**5,670,000**	
Total		**108,839,635**	**111,854,005**	**147,147,760**	**5,670,000**	

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Total Outlays - Raw Water Transmission and Distribution

	Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
Operations							
	92041014	FAHCE/Three Creeks HCP Project	2,741,591	3,911,659	3,810,415		Watershed Stewardship & Planning Division
*	92061012	Facilities Env Compliance	69,445	75,366	68,390		Office of COO IT and Admin Services
	92261099	Vasona Pump Station Gen Main	158,410	137,263	199,688		Raw Water Operations & Maintenance Division
	92761001	Raw Water T&D Gen'l Oper	1,582,300	1,652,861	1,512,655		Raw Water Operations & Maintenance Division
	92761006	Rchrg / RW Field Fac Asset Mgt	7,757				Raw Water Operations & Maintenance Division
	92761007	Rchrg / RW Fld Ops Pln & Anlys	34,220				Raw Water Operations & Maintenance Division
	92761008	Recycled Water T&D Genrl Maint	139,096	280,223	288,863		Raw Water Operations & Maintenance Division
	92761009	Recharge/RW Field Ops	3,280,346	3,002,986	3,173,414		Raw Water Operations & Maintenance Division
	92761010	Rchrg / RW Field Fac Maint	2,710,582	2,009,403	2,064,317		Raw Water Operations & Maintenance Division
	92761012	Untreated Water Prog Plan	71,202	270,987	108,753		Raw Water Operations & Maintenance Division
*	92761013	SCADA Systems Upgrades	21,144	82,656	122,193		Raw Water Operations & Maintenance Division
	92761082	Raw Water T&D Ctrl and Electr	735,372	740,990	655,898		Raw Water Operations & Maintenance Division
	92761083	Raw Water T&D Eng Other	128,419	144,244	518,253		Raw Water Operations & Maintenance Division
	92761085	Anderson Hydrelctrc Fclty Main	85,518	149,697	163,433		Raw Water Operations & Maintenance Division
	92761099	Raw Water T / D Gen Maint	2,218,556	2,250,634	2,077,782		Raw Water Operations & Maintenance Division
	92781002	Raw Water Corrosion Control	486,851	244,499	479,641		Raw Water Operations & Maintenance Division
Total Operations			**14,470,807**	**14,953,467**	**15,243,696**		
Capital							
	92144001	Pacheco/SC Conduit ROW ACQ	157,355	1,513,821		1,584,000	Water Utility Capital Division
	92224001	Pen Force Main Seismic Retrofi	946,051				Water Utility Capital Division
	92264001	Vasona Pump Station Upgrade	243,688	549,175	525,400		Water Utility Capital Division
	92374005	SCADA Remote Arch&Comm Upgrade	344,958	251,238	255,987	300,000	Water Utility Capital Division

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Total Outlays - Raw Water Transmission and Distribution (Continued)

Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
92764009	Small Caps, Raw Water T&D	312,107	848,643	1,215,303		Raw Water Operations & Maintenance Division
Total Capital		**2,004,158**	**3,162,877**	**1,996,690**	**1,884,000**	
Total		**16,474,965**	**18,116,344**	**17,240,386**	**1,884,000**	

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Total Outlays - Water Treatment

	Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
Operations							
*	93061012	Facilities Env Compliance	470,680	510,815	463,535		Office of COO IT and Admin Services
	93081008	W T General Water Quality	2,114,076	2,153,992	2,219,219		Treated Water Operations & Maintenance Division
	93081009	Water Treatment Plant Engineer	183,851	135,207	678,842		Raw Water Operations & Maintenance Division
	93231007	PWTP Landslide Monitoring	79,958	48,701	2,165		Dam Safety and Capital Delivery Division
	93231009	PWTP General Operations	5,192,736	5,317,647	5,224,820		Treated Water Operations & Maintenance Division
	93231099	Penitencia WTP General Maint	2,543,600	2,590,445	2,490,903		Treated Water Operations & Maintenance Division
	93281005	STWTP - General Operations	4,732,374	5,033,928	5,272,219		Treated Water Operations & Maintenance Division
	93281099	Santa Teresa WTP General Maint	3,293,909	3,229,259	3,243,877		Treated Water Operations & Maintenance Division
	93291012	RWTP General Operations	7,743,819	8,106,029	8,306,554		Treated Water Operations & Maintenance Division
	93291099	Rinconada WTP General Maint	2,900,593	3,526,121	3,722,024		Treated Water Operations & Maintenance Division
	93401002	Water District Laboratory	4,517,053	4,880,956	5,095,958		Treated Water Operations & Maintenance Division
	93761001	SF/SCVWD Intertie General Ops	251,094	217,112	219,853		Treated Water Operations & Maintenance Division
	93761004	Campbell Well Field Operations	195,204	145,273	86,860		Treated Water Operations & Maintenance Division
	93761005	Campbell Well Field Maint	98,427	95,763	93,513		Treated Water Operations & Maintenance Division
	93761006	Treated Water Ctrl & Elec Eng	2,266,701	2,596,336	2,316,887		Raw Water Operations & Maintenance Division
*	93761013	SCADA Systems Upgrades	62,110	242,802	358,943		Raw Water Operations & Maintenance Division
	93761099	SF/SCVWD Intertie Gen Maint	329,351	94,932	417,252		Treated Water Operations & Maintenance Division
Total Operations			**36,975,537**	**38,925,318**	**40,213,423**		
Capital							
	93084004	Wtr Trtmnt Plnt Electr Imprv			202,611		Treated Water Operations & Maintenance Division
	93084011	Fluoridation at WTPs	262,819				Water Utility Capital Division
	93234043	PWTP Clearwell Recoat & Repair	250,239				Water Utility Capital Division

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Total Outlays - Water Treatment (Continued)

Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
93284013	STWTP Filter Media Replace			202,611		Treated Water Operations & Maintenance Division
93294051	RWTP FRP Residuals Management	1,586,009			261,000	Water Utility Capital Division
93294056	RWTP Treated Water Valves Upgd	17,694	9,426	20,999		Water Utility Capital Division
93294057	RWTP Reliability Improvement	48,021,765	46,977,734	14,566,196	10,692,000	Water Utility Capital Division
93294058	RWTP Residuals Remediation	3,306,109		2,632,305	2,000	Water Utility Capital Division
93764003	IRP2 WTP Blds Seismic Retrofit	256,761				Water Utility Capital Division
93764004	Small Caps, Water Treatment	2,089,356	3,577,164	11,353,369		Treated Water Operations & Maintenance Division
Total Capital		**55,790,753**	**50,564,324**	**28,978,091**	**10,955,000**	
Total		**92,766,290**	**89,489,641**	**69,191,514**	**10,955,000**	

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Total Outlays - Treated Water Transmission and Distribution

	Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
Operations							
	94761005	TW T&D - Engineering - Other	36,052	156,044	422,017		Raw Water Operations & Maintenance Division
*	94761013	SCADA Systems Upgrades	11,893	46,494	68,734		Raw Water Operations & Maintenance Division
	94761099	Treated Water T/D Gen Maint	1,099,338	1,220,644	1,337,157		Raw Water Operations & Maintenance Division
	94781001	Treated Water T/D Corrosion	318,344	222,216	415,167		Raw Water Operations & Maintenance Division
Total Operations			**1,465,628**	**1,645,398**	**2,243,075**		
Capital							
	94084007	Treated Water Isolation Valves		528,770	741,653	515,000	Water Utility Capital Division
	94084008	Westside Retailer Interties	28,632	66,880		6,000	Water Utility Capital Division
	94384002	Pen Del Main Seismic Retrofit	343,226				Water Utility Capital Division
	94764006	Small Caps,Treated Water T&D			178,000		Raw Water Operations & Maintenance Division
Total Capital			**371,858**	**595,650**	**919,653**	**521,000**	
Total			**1,837,486**	**2,241,048**	**3,162,728**	**521,000**	

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Total Outlays - Administration and General

	Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
Operations							
	95001090	Unscoped Projects-Budget Only		100,000	100,000		Office of COO Water Utility
	95011003	WU Asset Protection Support	661,420	948,638	1,160,363		Watershed Design & Construction Division
*	95021008	Energy Management	271,370	210,304	203,381		Raw Water Operations & Maintenance Division
*	95031002	Grants Management	384,779	381,517	400,066		Financial Planning and Management Services Division
*	95041039	Integrated Regional Water Mgmt	47,011	93,329	106,197		Water Supply Division
**	95061007	WUE Asset Management Plng Prgm	1,131,564				Raw Water Operations & Maintenance Division
	95061012	Rental Expense San Pedro,MH	11,140	31,879	31,531		Office of COO IT and Admin Services
**	95061037	WUE Training & Development	1,498,413	1,577,516			Office of COO Water Utility
	95061038	WUE Administration	7,823,272	7,610,817	6,874,245		Office of COO Water Utility
	95061043	WUE TW Div Admin Support	381,895	271,828	3,591,177		Treated Water Operations & Maintenance Division
*	95061045	Asset Management Program	673,336	2,150,259	1,786,572		Raw Water Operations & Maintenance Division
	95061047	WUE Technical Training Program	797,203	1,269,921	527,593		Office of COO Water Utility
*	95061048	Climate Change Adaptation/ Mtg.	158,300	437,573	151,612		Watershed Stewardship & Planning Division
*	95071041	Welding Services	235,087	507,290	454,772		Office of COO IT and Admin Services
	95101003	W2 W5 Water Revenue Program	1,395,741	1,348,858	1,408,255		Financial Planning and Management Services Division
	95111003	Water Use Measurement	1,702,401	2,047,409	1,823,659		Water Supply Division
*	95121003	LT Financial Planning & Rate S	696,785	575,093	533,943		Financial Planning and Management Services Division
	95151002	WU Customer Relations&Outreach	(33)	465,581	488,273		Office of Chief of External Affairs
	95741001	Water Supply Planning	1,052,009	1,216,580	1,467,404		Water Supply Division
*	95741042	Water Resorcs EnvPlng & Permtg	179,936	392,959	1,096,602		Raw Water Operations & Maintenance Division
	95761003	SCADA Network Administration	173,397	318,957	232,883		Information Technology Division
*	95761071	Emergency Management	803,034	837,305	986,410		Office of COO IT and Admin Services
*	95771011	Inter Agency Urban Runoff Prog	456,935	437,174	495,023		Watershed Stewardship & Planning Division

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Total Outlays - Administration and General (Continued)

	Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
*	95771031	HAZMAT Emergency Response	76,691	81,745	80,456		Office of COO IT and Admin Services
*	95811043	Hydrologic Data Msrmt & Mgmt	869,051	853,852	1,009,927		Watershed Stewardship & Planning Division
*	95811046	Warehouse Services	550,199	666,210	653,979		Office of COO IT and Admin Services
*	95811049	X Valley Subsidence Survey	130,093	296,400	548,430		Watershed Design & Construction Division
*	95811054	District Real Property Adminis	215,872	184,484	329,887		Watershed Design & Construction Division
	Total Operations		**22,376,900**	**25,313,479**	**26,542,639**		
	Operating						
*	95762011	Tree Maintenance Program	222,064	338,884	310,764		Watershed Operations & Maintenance Division
	Total Operating		**222,064**	**338,884**	**310,764**		
	Debt Service						
	95993007	Commercial Paper Tax Exempt	263,485	1,631,200	1,851,890		Financial Planning and Management Services Division
	95993008	Commercial Paper Taxable	544,302	1,631,200	1,851,890		Financial Planning and Management Services Division
	95993012	2006B WUE Refunding (Taxable)	1,784,489	1,803,050	1,813,106		Financial Planning and Management Services Division
	95993014	2007B WU Revenue COPs(Taxable)	1,902,082	3,414,000	3,260,000		Financial Planning and Management Services Division
	95993015	2016A WU Ref Rev Bond(TxExmpt)	3,230,621	5,340,750	5,350,750		Financial Planning and Management Services Division
	95993016	2016B WU Ref Rev Bond(Taxable)	5,316,750	3,254,622	3,244,621		Financial Planning and Management Services Division
	95993017	WU COP 2016C (Tax-Exempt)	4,124,700	5,057,650	5,122,250		Financial Planning and Management Services Division
	95993018	WU COP 2016D (Taxable)	4,209,435	5,476,973	5,609,741		Financial Planning and Management Services Division
	95993019	WU Rev Bond 2017A (Tax Exempt)	4,341,250	4,380,500	4,385,500		Financial Planning and Management Services Division
**	95993020	WU Rev Bond 2018A (Tax-Exempt)		3,497,146			Financial Planning and Management Services Division
**	95993021	WU Rev Bond 2018B (Taxable)		4,253,679			Financial Planning and Management Services Division
	95993022	WU Rev Bond 2019A (Tax-Exempt)		825,000	1,595,800		Financial Planning and Management Services Division
	95993023	WU Rev Bond 2019B (Taxable)		1,060,000	6,309,024		Financial Planning and Management Services Division

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Total Outlays - Administration and General (Continued)

	Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
	95993024	WU Rev Bond 2019C (Tax-Exempt)		260,000			Financial Planning and Management Services Division
	95993025	WU Rev Bond 2020A (Tax-Exempt)			1,394,780		Financial Planning and Management Services Division
	95993026	WU Rev Bond 2020B (Taxable)			2,084,944		Financial Planning and Management Services Division
	Total Debt Service		**25,717,114**	**41,885,770**	**43,874,295**		
	Capital						
	95064011	Districtwide Salary Savings-61		(419,651)	(484,632)		Financial Planning and Management Services Division
	95074001	Capital Warranty Services	72,317	112,197		209,000	Water Utility Capital Division
*	95074030	WU Capital Training & Dvlpment	3,573	1,318,889			Water Utility Capital Division
*	95074033	CIP Development & Admin	378,697	589,692	434,562		Water Utility Capital Division
*	95074036	Survey Mgmt & Tech Support	232,806	224,183	177,311		Watershed Design & Construction Division
*	95074038	Capital Progrm Srvcs Admin	2,474,507	2,387,223	2,250,758		Water Utility Capital Division
	95074039	Capital Construction Mgmt System			976,689		Office of COO Water Utility
**	95084001	5-Year Pipeline Rehabilitation	126,682				Water Utility Capital Division
	95084002	10-Yr PL Inspection and Rehab	22,583,846	13,865,414	26,129,073		Water Utility Capital Division
	95274003	WU Computer Network Modrnizatn	257,342	501,788	183,964		Information Technology Division
	Total Capital		**26,129,772**	**18,579,736**	**29,667,723**	**209,000**	
	Total		**74,445,849**	**86,117,868**	**100,395,422**	**209,000**	

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Water Enterprise Summary by Zone

	Budgetary Basis Basis Actual 2017-2018	Adopted Budget 2018-19	Estimated Actual 2018-19	Adopted Budget 2019-20	Percent Change
Zone W2 North County					
Allocated Revenue					
Operating Revenue	$ 226,422,802	$ 234,646,044	$ 234,576,442	$ 263,997,782	12.5%
Non-operating Revenue	42,551,507	25,988,112	31,983,354	38,793,593	49.3%
Total Allocated Revenue	**$ 268,974,309**	**$ 260,634,156**	**$ 266,559,796**	**$ 302,791,375**	**16.2%**
Allocated Operating Outlays					
Operations	$ 153,697,228	$ 157,662,660	$ 157,694,836	$ 164,677,739	4.4%
Operating Projects	193,196	294,151	294,151	268,500	(8.7)%
Debt Service	25,717,114	41,885,770	41,885,770	43,874,295	4.7%
Total Allocated Operating Outlays	**$ 179,607,538**	**$ 199,842,581**	**$ 199,874,757**	**$ 208,820,534**	**4.5%**
Balance Available for Capital/Reserve	89,366,771	60,791,575	66,685,039	93,970,841	54.6%
Capital Appropriations	**$ 124,898,539**	**$ 123,830,374**	**$ 119,671,505**	**$ 152,695,709**	**23.3%**
Other Financing Resources					
Commercial Paper Proceeds	$ 51,570,000	$ 64,193,000	$ 64,193,000	$ 59,559,000	(7.2)%
Transfers In	3,252,000	1,228,000	1,228,000	1,013,000	(17.5)%
Transfers Out	(11,477,049)	(5,937,166)	(3,907,800)	(2,478,000)	(58.3)%
Total Other Financing Sources/(Uses)	**$ 43,344,951**	**$ 59,483,834**	**$ 61,513,200**	**$ 58,094,000**	**(2.3)%**
Zone W5 Open Space Credit	(8,075,151)	(6,990,213)	(6,890,956)	(7,598,105)	8.7%
Zone W5 Capital Amortization	4,387,275	5,912,769	5,869,614	6,692,364	13.2%
Zone W5 Interest (Earnings)/Payments	(120,523)	(96,404)	(285,580)	(254,384)	163.9%
Balance Available for W2	**$ 4,004,784**	**$ (4,728,813)**	**$ 7,219,812**	**$ (1,790,993)**	**(62.1)%**
Zone W5 South County					
Allocated Revenue					
Operating Revenue	$ 13,680,115	$ 12,849,956	$ 12,919,558	$ 15,240,218	18.6%
Non-operating Revenue	3,346,244	2,613,359	2,650,859	2,705,639	3.5%
Total Allocated Revenue	**$ 17,026,359**	**$ 15,463,315**	**$ 15,570,417**	**$ 17,945,857**	**16.1%**
Open Space Credit	8,075,151	6,990,213	6,890,956	7,598,105	8.7%
Total Current Resources	**$ 25,101,510**	**$ 22,453,528**	**$ 22,461,373**	**$ 25,543,962**	**13.8%**
Allocated Costs					
Operations	$ 13,259,182	$ 15,955,024	$ 15,951,859	$ 15,108,227	(5.3)%
Operating Projects	28,868	44,733	44,733	42,264	(5.5)%
Imported Water Purchases	4,109,264	3,655,031	3,655,031	4,777,657	30.7%
Total Allocated Outlays	**$ 17,397,314**	**$ 19,654,788**	**$ 19,651,623**	**$ 19,928,148**	**1.4%**
Balance Available for Capital/Reserve	7,704,196	2,798,740	2,809,750	5,615,814	100.7%
Interest (earned)/due Utility Reserves	(120,523)	(96,404)	(285,580)	(254,384)	163.9%
Total Capital Amortization	4,387,275	5,912,769	5,869,614	6,692,364	13.2%
Balance Available/(Deficit) for Zone W5	**$ 3,437,444**	**$ (3,017,625)**	**$ (2,774,284)**	**$ (822,166)**	**(72.8)%**
Total Balance Available/(Deficit)	**$ 7,442,228**	**$ (7,746,438)**	**$ 4,445,528**	**$ (2,613,159)**	**(66.3)%**

South County Capital Amortization

(In Thousands $)						
Job Description	Total Project Cost	South County %	South County Cost	FY -20 Cost Recovery	Year Cost Recovery is Complete	Basis of Allocation to the South
Uvas Dam & Reservoir	$ 1,124	100.0%	1,124	88	FY 22	Benefits only South County
San Pedro Recharge Facility	1,882	100.0%	1,882	147	FY 22	Benefits only South County
San Pedro Recharge house	700	100.0%	700	47	FY 31	Benefits only South County
Recycled Water Improvements I	7,232	100.0%	7,232	481	FY 32	Benefits only South County
Recycled Water Improvements II	118	100.0%	118	8	FY 33	Benefits only South County
Recycled Water Improvements III	1,721	100.0%	1,721	115	FY 34	Benefits only South County
Water Banking Rights	6,226	8.0%	498	33	FY 35	Total Imported Water Ratio
Dam Instrumentation	6,243	21.0%	1,311	87	FY 41	Program benefit calculation
Geodetic Control Maintenance	236	41.0%	97	6	FY 36	Survey Analysis
Dam Maintenance Mitigation	244	22.0%	54	4	FY 45	Program benefit calculation
SC Recycled Water Masterplan - Immediate Term	3,257	100.0%	3,257	216	FY 37	Benefits only South County
SC Recycled Water Masterplan - Short Term Implementation 1A	4,314	100.0%	4,314	286	FY 42	Benefits only South County
Water Banking FY 06	18,895	9.0%	1,701	113	FY 36	Total Imported Water Ratio
San Felipe Division Capital	10,405	15.2%	1,582	1,582	N/A	Repayment Cost Distribution
Pacheco Conduit Inspection and Rehab	8,041	20.8%	1,673	87	FY 48	CVP Imported Water Ratio
Pacheco Pumping Plant Regulating Tank Recoating	2,550	17.0%	434	29	FY 42	CVP Imported Water Ratio
San Felipe Communications Cable Replacement	235	17.0%	40	3	FY 42	CVP Imported Water Ratio
Small Caps, San Felipe	5,075	20.8%	1,056	1,056	N/A	CVP Imported Water Ratio
Santa Clara Tunnel Landslide	4,509	15.1%	681	45	FY 39	CVP Imported Water Ratio
SC Tunnel Landslide Mitigation	217	16.9%	37	2	FY 39	CVP Imported Water Ratio
Small Caps, San Felipe Reach 2	863	20.8%	180	180	N/A	CVP Imported Water Ratio
Small Caps, San Felipe Reach 3	850	20.8%	177	177	N/A	CVP Imported Water Ratio
Water Infrastructure Reliability Program	2,134	1.5%	32	2	FY 36	Program benefit calculation
Water Infrastructure Baseline Improvement	2,403	3.6%	87	6	FY 38	Spare pipe usage
Coyote Dam Control Building Improvements	576	19.6%	113	7	FY 42	Anderson deliveries ratio
Pacheco Pumping Plant ASD Replace	19,169	18.6%	3,565	236	FY 47	CVP Imported Water Ratio
Radio Repeater Infill	5	11.1%	1	—	FY 42	M&I Water Usage Ratio
Santa Clara Conduit Rehab	1,814	17.0%	308	20	FY 42	CVP Imported Water Ratio
Raw Water Control System	9,188	4.3%	395	26	FY 37	Program benefit calculation
Small Caps, Raw Water T&D	1,220	17.9%	218	218	N/A	Raw Water Usage
Main-Madrone PL Restoration	11,378	100.0%	11,378	590	FY 48	Benefits only South County
Inf Reliability Master Plan	2,065	12.3%	254	16	FY 46	M&I Water Usage Ratio
Water Protection	11,387	2.3%	262	17	FY 45	Program benefit calculation
Microwave Telecomunications	4,595	11.5%	528	35	FY 44	M&I Water Usage Ratio
Coyote Pumping Plant Warehouse	10,324	13.6%	1,404	73	FY 49	M&I Water Usage Ratio
5-year Pipeline Rehabilitation	28,879	4.6%	1,328	83	FY 47	Program benefit calculation
Pipeline Hydraulic Reliability Upgrades	335	2.3%	8	1	FY 45	Program benefit calculation
WTP_WQL Network Equipment	185	13.6%	25	25	N/A	M&I Water Usage Ratio
Winfield Capital Improvement	481	12.7%	61	3	FY 48	M&I Water Usage Ratio
Corp Yard Relocation	26	10.2%	3	—	FY 40	M&I Water Usage Ratio
Information Systems Management	5,802	9.8%	569	38	FY 40	M&I Water Usage Ratio
Peoplesoft Upgrade	78	9.8%	8	1	FY 39	M&I Water Usage Ratio
Peoplesoft System Upgrade & Expansion	1,217	12.3%	150	9	FY 46	M&I Water Usage Ratio

South County Capital Amortization (Continued)

(In Thousands $)						
Job Description	Total Project Cost	South County %	South County Cost	FY -20 Cost Recovery	Year Cost Recovery is Complete	Basis of Allocation to the South
Uvas Property Acquisition	1,251	100.0%	1,251	79	FY 46	Benefits only South County
IT Capital Fund Transfers	210	13.2%	28	28	N/A	Total Capital Cost Ratio
Capital Program Administration	3,827	10.1%	387	387	N/A	Total Capital Cost Ratio
Grand Total	**$ 203,486**		**52,232**	**6,692**		

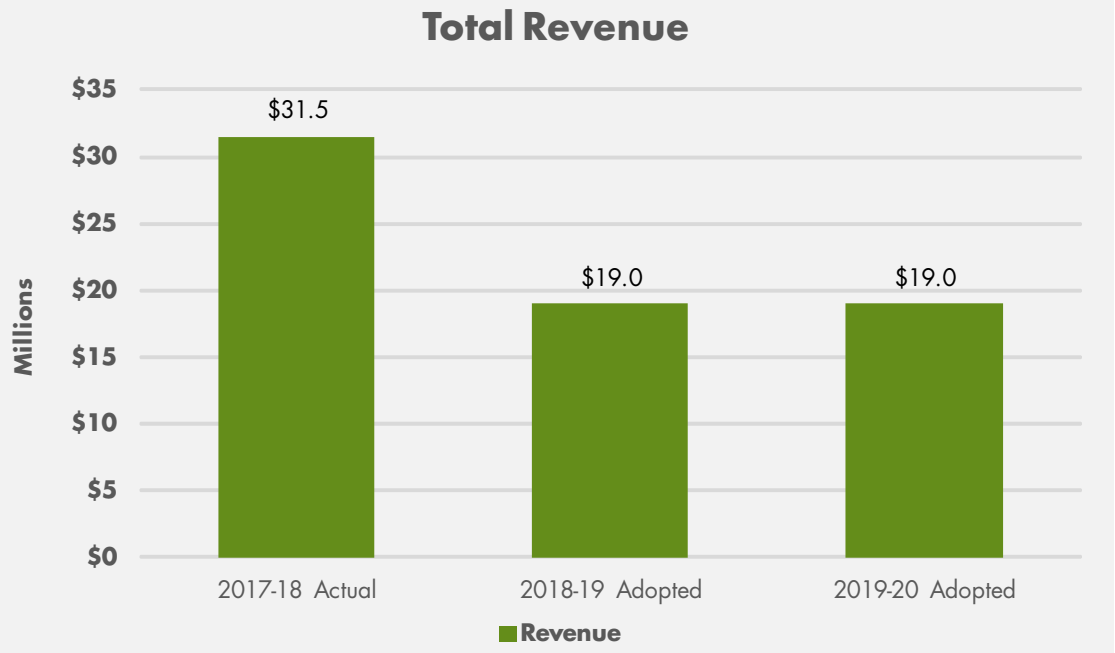
(*) Capital projects that benefit South County are paid for over the life of the project (typically 30 years) beginning when the project is completed

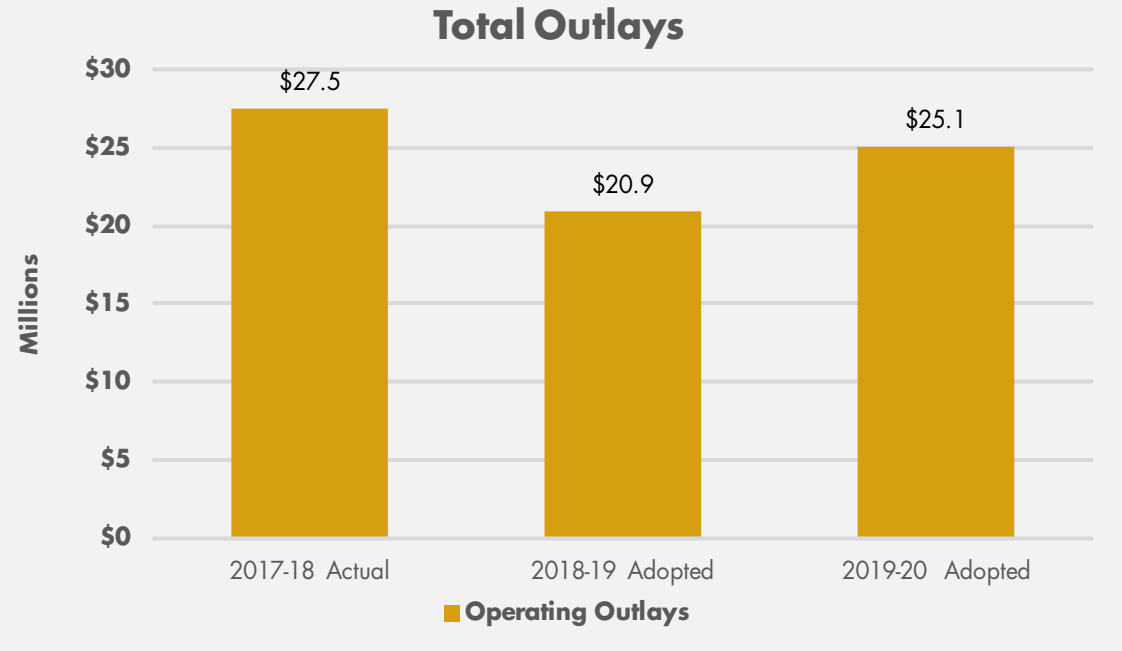
State Water Project Fund

The State Water Project Fund was created in October 2010 to improve transparency and ensure compliance with Water Code Section 11654. The State Water Project Fund accounts specifically for State Water Project Tax revenue and State Water Project contractual costs. State Water Project Tax revenue can only be spent on State Water Project contractual costs.

Staff proposes that the State Water Project Tax revenue be set at $18.0 million for FY 2019-20, which when combined with other revenue (refunds from Department of Water Resources), and the State Water Project Reserve would fund projected contractual obligations of $25.1 million.

State Water Project Fund (Fund 63)





State Water Project Fund

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted $ Diff	Change from 2018-19 Adopted % Diff
REVENUE						
Property Tax	$ 30,328,609	$ 18,000,000	$ 18,000,000	$ 18,000,000	$ —	—
Nonoperating Other	1,213,428	1,000,000	1,000,000	1,000,000	—	—
TOTAL REVENUE	**$ 31,542,037**	**$ 19,000,000**	**$ 19,000,000**	**$ 19,000,000**	**$ —**	**—**
OUTLAYS						
Operating Outlays						
Operations **	$ 27,539,166	$ 20,894,709	$ 20,894,709	$ 25,067,582	$ 4,172,873	20.0%
Total Operating Outlays	**$ 27,539,166**	**$ 20,894,709**	**$ 20,894,709**	**$ 25,067,582**	**$ 4,172,873**	**20.0%**
TOTAL OUTLAYS**	**$ 27,539,166**	**$ 20,894,709**	**$ 20,894,709**	**$ 25,067,582**	**$ 4,172,873**	**20.0%**
BALANCE AVAILABLE	**$ 4,002,871**	**$ (1,894,709)**	**$ (1,894,709)**	**$ (6,067,582)**	**$ (4,172,873)**	**220.2%**
YEAR-END RESERVES						
Restricted Reserves						
WUE State Water Project Tax Reserve	$ 12,777,981	$ 4,725,400	$ 10,883,272	$ 4,815,690	$ 90,290	1.9%
Total Restricted Reserves	**$ 12,777,981**	**$ 4,725,400**	**$ 10,883,272**	**$ 4,815,690**	**$ 90,290**	**1.9%**
TOTAL YEAR-END RESERVES	**$ 12,777,981**	**$ 4,725,400**	**$ 10,883,272**	**$ 4,815,690**	**$ 90,290**	**1.9%**
UNCOMMITED FUNDS			**$ —**	**$ —**		

Outlay Summary by Account Type

Services & Supplies	$ 27,539,166	$ 20,894,709	$ 20,894,709	$ 25,067,582	$ 4,172,873	20.0%
OPERATING OUTLAY						
Services & Supplies	$ 27,539,166	$ 20,894,709	$ 20,894,709	$ 25,067,582	$ 4,172,873	20.0%
OPERATING OUTLAY TOTAL	**$ 27,539,166**	**$ 20,894,709**	**$ 20,894,709**	**$ 25,067,582**	**$ 4,172,873**	**20.0%**
TOTAL OUTLAYS**	**$ 27,539,166**	**$ 20,894,709**	**$ 20,894,709**	**$ 25,067,582**	**$ 4,172,873**	**20.0%**

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

Total Outlays - State Water Project Fund

Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
Operations						
91131008	State Water Project Costs	27,539,166	20,894,709	25,067,582		Water Supply Division
Total Operations		**27,539,166**	**20,894,709**	**25,067,582**		
Total		**27,539,166**	**20,894,709**	**25,067,582**		

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

DISTRICT GENERAL FUND

District General Fund

Overview

The General Fund is the District's primary funding source for administrative and strategic support services. These services are provided to the Water Utility Enterprise and Watershed programs and projects. They are necessary for governance and delivery of vital water management and watershed stewardship services to the community.

The main purposes of the resources budgeted to the General Fund are to provide:

- Executive leadership and oversight.
- Long and short-term financial planning.
- A capable and knowledgeable workforce.
- Sustainable assets, equipment and infrastructure.

These administrative and strategic services are described below by the organization areas that follow. More detail about these areas is in the division chapter four, page 4-1.

Office of the Chief Executive Officer

The Chief Executive Officer (CEO) provides strategic direction and oversight to lead the District in implementing its mission and achieving its vision; fosters cooperative and collaborative working relationships with other government agencies, retailers, stakeholders, and the community; supports the Board, advises and informs the Board and provides interface between the Board and staff. The CEO provides executive leadership to the District and support to the Board of Directors to ensure that the District efficiently implements the Board's Ends policies and complies with Executive Limitations. Among the operational areas reporting directly to the CEO are Labor Relations, Human Resources Division and the Financial Planning and Management Services Division.

Office of District Counsel

The District Counsel represents the District's interests in a variety of court and administrative matters and provides timely legal advice to the Board and management as the District implements strategies to streamline operations and increase accountability. The District Counsel also oversees the Risk Management Administration.

Office of the Clerk of the Board

The Clerk of the Board (COB) budgets funds that directly support the work of the District's Board of Directors, including Board Governance Policy management, Board performance monitoring, lobbyist reporting and tracking, elections, regulatory, administrative, and liaison support services to the Board, its Advisory, Ad Hoc and Joint Committees with other public agencies, the Safe, Clean Water and Natural Flood Protection Program's Independent Monitoring Committee, Board Appointed Officers, District staff, and the public.

The COB also facilitates the public's access to Board information, including Board meetings and related committee meetings in accordance with the California Ralph M. Brown Act. Additionally, the COB monitors the Board budget and Board members' expenses in accordance with District Ordinance 02-01, Resolution 11-73, and Board Governance Policy GP-10, and maintains the integrity of the Board's legislative records, processes, and actions. The COB also oversees Records & Library Services.

Office of the Chief of External Affairs

The Chief of External Affairs (CEA) reports directly to the Chief Executive Officer and serves as a key member

of the executive leadership team and represents the CEO and the District in interactions with employees, the public, and other agencies and organizations. The CEA oversees the strategic planning and integration of external policies and legislation as it relates to the business interests of the District and is responsible for managing the District's relationships with the community, government officials, the media, and other key stakeholders. The Office of the CEA oversees the Civic Engagement, Government Relations, and District Communications.

Office of the Chief Operating Officer of Information Technology & Administrative Services

The Office of the Chief Operating Officer (COO) of Information Technology & Administrative Services (IT & AS) provides executive leadership and direct oversight to administrative business areas including General Services, and Information Technology. The Office of the COO-IT & AS is responsible for ensuring that administrative functions are operated efficiently and effectively, in accordance with the goals and policies established by the Board of Directors and the Chief Executive Officer. The COO-IT & AS also oversees Emergency & Security Services, and administers Environmental, Health & Safety.

Major Capital Projects

The FY 2019-20 Capital Outlay budget in the General Fund is approximately $2.2 million; $0.1 million for Water Utility CIP Training and Vena upgrades, and $2.1 million to maintain existing buildings, grounds and services through several small capital improvement projects.

The General Fund Capital Outlay decreased $12.7 million from FY 2018-19 due to the funding source changes for the Pacheco Reservoir Expansion Project from General Funds to Water Utility Enterprise Funds.

Fiscal Status

Intra-district reimbursements (overhead) are the primary source of funding in the General Fund. They are budgeted at $54.1 million in FY 2019-20, a 12% decrease from FY 2018-19. The Intra-district reimbursements rate for FY 2019-20 is 72.5%. The CEO, District Counsel, Clerk of the Board and District Administration costs funded in the General Fund provide services to Watershed and Water Utility Enterprise operations and capital programs. Generally, the intra-district reimbursements are paid 60% from Water Utility Enterprise and the remainder from Watershed Funds reflecting the level of service provided to each respective operation.

Property tax revenue is projected at $8.4 million. The projection reflects an increase of $0.7 million which is an 8.6% increase from FY 2018-19 adopted budget.

The increase in property tax revenues is based on updates received from Santa Clara County that project continued growth in the real estate market. Interest income is projected to be $150,000 which is an increase of $65,000 from FY 2018-19 adopted budget.

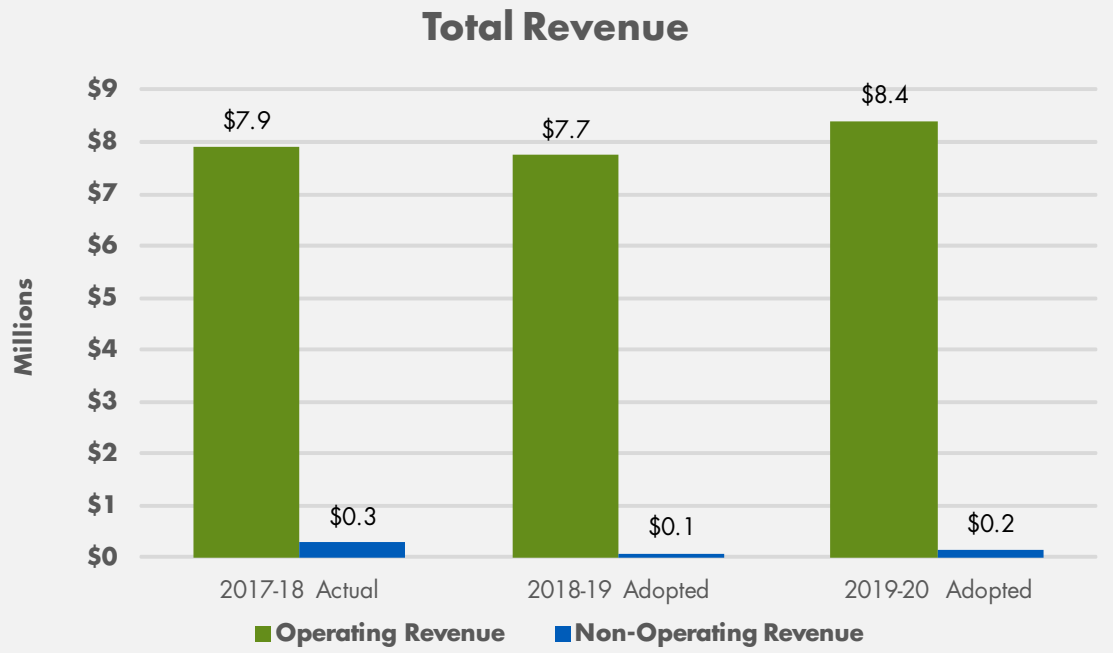
Operating Transfers In of $0.9 million are from the Watershed and Stream Stewardship Fund for Drought Induced Tree Removal. Operating Transfers Out of $0.7 million are: to the Water Utility Enterprise Fund to offset lost agricultural water revenue associated with the Board's policy of setting low agricultural charges to preserve open space ($0.5 million) and to the Safe Clean Water Fund to repay an inter-fund transfer related to Winfield Warehouse Capital Project ($0.2 million).

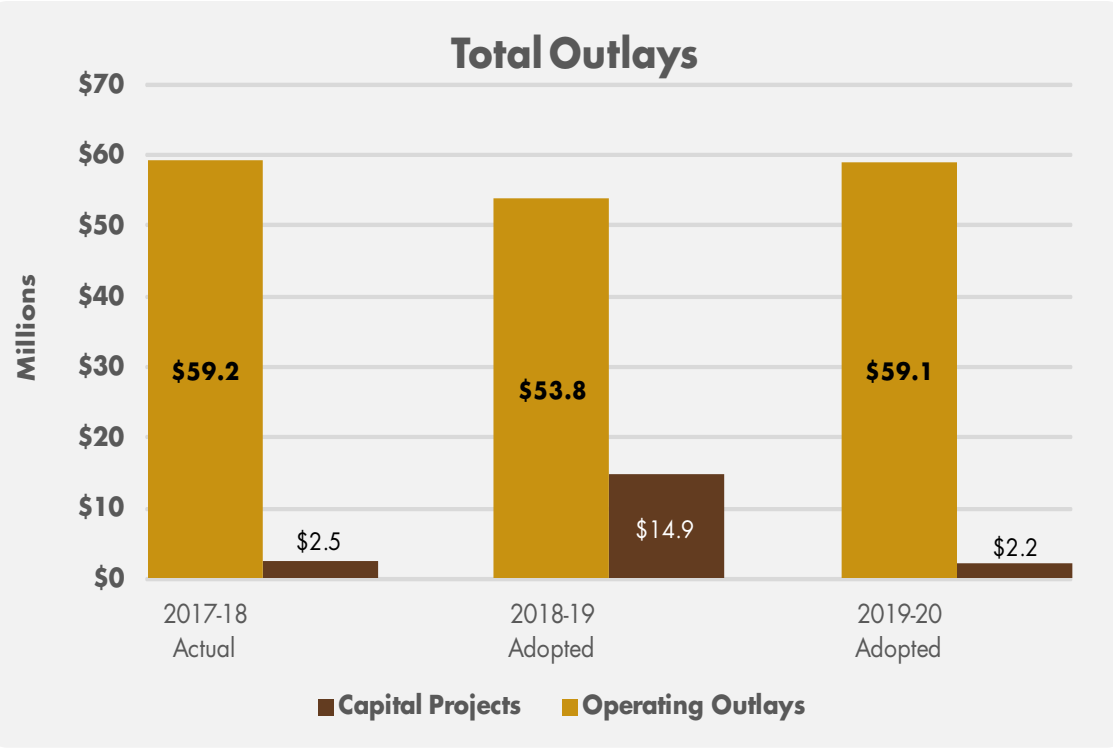
Operating costs for the services provided to Watersheds and Water Utility Enterprise operations total $59.1 million for FY 2019-20. This is an increase of $5.3 million which is a 9.8% increase versus the FY 2018-19 adopted level. This change is primarily comprised of: salary increases per MOU and 4 additional position increases ($4.5 million), support of

Districtwide Signage program ($0.3 million), increase in Board & CEO directed audit services ($0.5 million), increase in Rotation Program ($0.3 million), increase in services and supplies for various projects and programs ($0.8 million), and offset by decrease in Board of Directors election cost (-$1.1 million).

General Fund reserves are estimated at approximately $4.3 million and are in compliance with the District Reserve Policy.

District General Fund





District General Fund Summary

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted $ Diff	Change from 2018-19 Adopted % Diff
REVENUE						
Operating Revenue						
Property Tax	$ 7,864,536	$ 7,742,870	$ 8,222,585	$ 8,412,466	$ 669,596	8.6%
Intergovermental Services	45,000	—	—	—	—	—
Total Operating Revenue	**$ 7,909,536**	**$ 7,742,870**	**$ 8,222,585**	**$ 8,412,466**	**$ 669,596**	**8.6%**
Non-Operating Revenue						
Interest Income *	$ 72,699	$ 85,000	$ 100,000	$ 150,000	$ 65,000	76.5%
Non-Operating Other	223,043	—	—	—	—	—
Total Non-Operating Revenue	**$ 295,742**	**$ 85,000**	**$ 100,000**	**$ 150,000**	**$ 65,000**	**76.5%**
TOTAL REVENUE	**$ 8,205,278**	**$ 7,827,870**	**$ 8,322,585**	**$ 8,562,466**	**$ 734,596**	**9.4%**
OUTLAYS						
Operating Outlays						
Operations **	$ 57,906,503	$ 53,215,553	$ 53,647,871	$ 58,616,753	$ 5,401,200	10.2%
Operating Project	842,196	121,705	121,705	—	(121,705)	(100.0)%
Debt Service	471,075	476,094	476,094	478,052	1,958	0.4%
Total Operating Outlays	**$ 59,219,774**	**$ 53,813,352**	**$ 54,245,670**	**$ 59,094,805**	**$ 5,281,453**	**9.8%**
Capital Outlays						
Capital Projects	$ 2,494,890	$ 14,864,627	$ 3,421,367	$ 2,212,021	$ (12,652,606)	(85.1)%
Carry Forward Capital Projects	—	—	$	—	—	—
Total Capital Outlays	**$ 2,494,890**	**$ 14,864,627**	**$ 3,421,367**	**$ 2,212,021**	**$ (12,652,606)**	**(85.1)%**
TOTAL OUTLAYS**	**$ 61,714,664**	**$ 68,677,979**	**$ 57,667,037**	**$ 61,306,826**	**$ (7,371,153)**	**(10.7)%**
Less Intra-District Reimb	(51,061,433)	(61,456,337)	(48,500,000)	(54,072,293)	7,384,044	(12.0)%
NET OUTLAYS	**$ 10,653,231**	**$ 7,221,642**	**$ 9,167,037**	**$ 7,234,533**	**$ 12,891**	**0.2%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 934,605	$ 291,733	$ 291,733	$ 932,500	$ 640,767	219.6%
Transfers Out	(1,783,000)	(614,000)	(614,000)	(709,300)	(95,300)	15.5%
TOTAL OTHER SOURCES/(USES)	**$ (848,395)**	**$ (322,267)**	**$ (322,267)**	**$ 223,200**	**$ 545,467**	**(169.3)%**
BALANCE AVAILABLE	**$ (3,296,348)**	**$ 283,961**	**$ (1,166,719)**	**$ 1,551,133**	**$ 1,267,172**	**446.2%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects ***	$ 500,000	$ —	$ —	$ —	$ —	—
Operating and Capital Reserve	3,433,612	4,565,381	2,766,893	4,318,026	(247,355)	(5.4)%
Total Committed Reserves	**$ 3,933,612**	**$ 4,565,381**	**$ 2,766,893**	**$ 4,318,026**	**$ (247,355)**	**(5.4)%**
TOTAL YEAR-END RESERVES	**$ 3,933,612**	**$ 4,565,381**	**$ 2,766,893**	**$ 4,318,026**	**$ (247,355)**	**(5.4)%**
UNCOMMITED FUNDS			**$ —**	**$ —**		

District General Fund Summary (Continued)

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted $ Diff	Change from 2018-19 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries & Benefits	$ 36,598,789	$ 33,880,356	$ 34,251,258	$ 37,692,977	$ 3,812,621	11.3%
Salaries Savings Factor	—	(1,166,751)	(1,166,751)	(1,310,193)	(143,442)	12.3%
Services & Supplies	16,579,991	15,950,237	15,950,237	16,721,409	771,172	4.8%
Intra-District Charges	5,569,918	4,673,416	4,734,832	5,512,562	839,146	18.0%
OPERATING OUTLAY TOTAL	**$ 58,748,698**	**$ 53,337,258**	**$ 53,769,576**	**$ 58,616,755**	**$ 5,279,497**	**9.9%**
DEBT SERVICE						
Services & Supplies	$ 369	$ 1,617	$ 1,617	$ 2,262	$ 645	39.9%
Debt Service	470,706	474,477	474,477	475,790	1,313	0.3%
DEBT SERVICE TOTAL	**$ 471,075**	**$ 476,094**	**$ 476,094**	**$ 478,052**	**$ 1,958**	**0.4%**
CAPITAL PROJECTS						
Salaries & Benefits	$ 348,523	$ 844,584	$ 844,584	$ 141,677	$ (702,907)	(83.2)%
Salaries Savings Factor	—	(96,739)	(96,739)	(19,495)	77,244	(79.8)%
Services & Supplies	2,068,732	13,983,102	2,539,842	2,031,210	(11,951,892)	(85.5)%
Intra-District Charges	77,635	133,680	133,680	58,629	(75,051)	(56.1)%
CAPITAL PROJECTS TOTAL	**$ 2,494,890**	**$ 14,864,627**	**$ 3,421,367**	**$ 2,212,021**	**$ (12,652,606)**	**(85.1)%**
TOTAL OUTLAYS****	**$ 61,714,663**	**$ 68,677,979**	**$ 57,667,037**	**$ 61,306,827**	**$ (7,371,151)**	**(10.7)%**

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

Total Outlays - District General Fund

	Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
Operations							
	60001090	CEOUnscoped Projects-BudgtOnly		100,000	100,000		Office of the CEO
	60001091	Unscoped Projects-Budget Only		100,000	100,000		Office of COO IT and Admin Services
	60001092	CEA UnscopedProject-BudgetOnly		100,000	100,000		Office of Chief of External Affairs
*	60021008	Energy Management	119,722	92,781	89,727		Raw Water Operations & Maintenance Division
	60041003	Hollister Groundwater Mgmt	1,674	38,043	56,539		Water Supply Division
	60061007	Drought Emergency Response	98,450	14,242			Water Supply Division
*	60061012	Facilities Env Compliance	192,901	209,351	189,973		Office of COO IT and Admin Services
**	60061017	Info Technology Div Admin	669,394				Information Technology Division
	60061018	General Services Div Admin	486,779	500,755	543,081		Office of COO IT and Admin Services
**	60061019	Employee Recognition Program	(41)				Office of COO IT and Admin Services
	60061023	Districtwide Salary Savings-11		(1,166,751)	(1,310,193)		Financial Planning and Management Services Division
*	60061053	Asset Management Program	275,479				Raw Water Operations & Maintenance Division
*	60061055	Asset Management Program	168,334	390,956	324,831		Raw Water Operations & Maintenance Division
	60061058	Drought Induced Tree Removal	335,241	291,734	932,517		Watershed Operations & Maintenance Division
*	60071041	Welding Services	9,404	20,292	18,191		Office of COO IT and Admin Services
	60091001	Directors Fees / Expenses	379,002	375,662	512,622		Office of Clerk of the Board
	60101001	Purchasing Services	1,697,773	1,574,085	2,949,727		Office of COO IT and Admin Services
	60101002	Building and Grounds	5,851,367	6,720,264	7,465,892		Office of COO IT and Admin Services
	60101005	Districtwide Signage			300,000		Office of COO IT and Admin Services
**	60101006	Telecommunications Sys Opr/M	2,036,121				Information Technology Division
	60101008	District Security Services	1,524,259	1,883,686	2,041,242		Office of COO IT and Admin Services
**	60101011	Technical Infrastructure Servi	479,210				Information Technology Division
	60101017	CADD System Tech Support	99,253	135,852	132,545		Dam Safety and Capital Delivery Division

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Total Outlays - District General Fund (Continued)

	Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
	60111002	General Accounting Services	3,260,421	3,075,249	3,653,802		Financial Planning and Management Services Division
	60111006	Contract Services	1,184,227	1,385,184	1,433,516		Office of COO IT and Admin Services
*	60121003	LT Financial Planning & Rate S	220,037	181,608	168,613		Financial Planning and Management Services Division
	60131004	IT & AS Administration	798,371	814,751	1,782,998		Office of COO IT and Admin Services
	60131007	Ofc of Chief Executive Officer	886,851	952,195	1,015,533		Office of the CEO
	60131014	Continual Improvement	161,968	458,313	824,722		Financial Planning and Management Services Division
**	60131016	Office of CEO & Board Support	679,836				Financial Planning and Management Services Division
	60141001	District Counsel	3,172,157	3,262,859	3,606,203		Office of District Counsel
**	60161001	Software Maint & License	1,102,295				Information Technology Division
**	60161004	Software Services	3,311,408				Information Technology Division
	60171002	Education & Volunteer Program	911,704	1,256,613	1,649,752		Office of Chief of External Affairs
	60171009	Community Relations	147,833	323,983	345,487		Office of Chief of External Affairs
**	60181002	Network Administration	1,627,358				Information Technology Division
	60221001	Budget and Financial Analyses	1,685,137	1,936,735	2,243,957		Financial Planning and Management Services Division
	60221002	Debt & Treasury Management	518,508	647,788	937,222		Financial Planning and Management Services Division
	60221003	FPMD Administration	538,328	498,251	550,540		Financial Planning and Management Services Division
	60231002	Communications	1,992,911	2,158,389	2,580,007		Office of Chief of External Affairs
	60231003	Federal Government Relations	1,042,399	925,995	1,092,212		Office of Chief of External Affairs
	60231004	State Government Relations	936,347	984,735	1,016,527		Office of Chief of External Affairs
	60231005	Local Government Relations	1,005,426	1,522,763	1,628,320		Office of Chief of External Affairs
	60231006	Office of Chief of Ext Affairs	775,615	845,978	927,651		Office of Chief of External Affairs
	60241026	Quality and Env Mgmt Sys Prog	579,199	801,782	534,165		Financial Planning and Management Services Division
**	60271060	ERP System Maint & Support	5,000				Information Technology Division
**	60271062	Information Security Admin	295,777				Information Technology Division
**	60271064	Offce Cmptr Maint/Help Dsk Sup	1,088,439				Information Technology Division
	60281003	Ethics & EEO Programs	473,220	593,633	1,100,326		Office of the CEO
	60281004	Diversity & Inclusion Program	922,393	1,147,306	804,813		Office of the CEO
	60281006	Reasonable Accommodation	95,417	278,517	243,518		Office of the CEO
	60291001	Recruitment and Examination	1,719,618	1,721,092	1,826,393		Office of the CEO

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Total Outlays - District General Fund (Continued)

	Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
	60291002	Benefits and Wellness Admin	1,085,634	1,227,302	1,458,679		Office of the CEO
	60291003	Labor Relations	753,440	765,943	856,488		Office of the CEO
	60291004	Talent Management Program	1,099,010	1,843,109	1,615,591		Office of the CEO
**	60291005	Classification&CompensationPgm	390,949	278,205			Office of the CEO
	60291011	HR Program Admin	743,746	791,478	615,270		Office of the CEO
	60291030	HR Systems Management Program			584,477		Office of the CEO
	60291032	Bargaining Unit Representation	236,577	87,479	124,731		Office of the CEO
**	60291038	GF Training & Development	653,199	1,580,362			Office of the CEO
	60291040	Rotation Program	71,426	306,000	600,000		Office of the CEO
	60291041	Internship Program	612,198	715,290	821,263		Office of the CEO
	60291042	Skilled Trades Internship Prgm	30,384				Human Resources Division
	60291043	Succession Planning			451,425		Office of the CEO
	60301001	Clerk of the Board Serv	1,953,859	3,200,092	2,256,123		Office of Clerk of the Board
	60311001	Records & Library Services	1,069,616	1,249,478	1,290,918		Office of Clerk of the Board
**	60341001	Mail Services	(10)				Office of COO IT and Admin Services
	60351001	Business & Customer SupportSvc	3,113,405	3,373,725	2,798,194		Office of COO IT and Admin Services
*	60811046	Warehouse Services	530,549	642,417	630,623		Office of COO IT and Admin Services
	Total Operations		**57,906,503**	**53,215,553**	**58,616,753**		
	Operating						
	60042001	Pacheco Res Prop 1 App Study	842,196	121,705			Water Supply Division
	Total Operating		**842,196**	**121,705**			
	Debt Service						
	60993009	2017A COP Refunding GF	471,075	476,094	478,052		Financial Planning and Management Services Division
	Total Debt Service		**471,075**	**476,094**	**478,052**		
	Capital						
	60064023	Districtwide Salary Savings-11		(96,739)	(19,495)		Financial Planning and Management Services Division
*	60074033	CIP Development & Admin	9,467	14,742	25,562		Water Utility Capital Division
*	60074036	Survey Mgmt & Tech Support	5,820	5,605	10,430		Watershed Design & Construction Division
*	60074038	Capital Progrm Srvcs Admin	61,862	59,681	132,398		Water Utility Capital Division
	60204016	Facility Mgmt-Sm Cap Improv	1,943,174	2,072,000	2,063,125		Office of COO IT and Admin Services

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Total Outlays - District General Fund (Continued)

	Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
**	60204021	Winfield Capital Improvements	26,988				Water Utility Capital Division
	60204032	Headquarters Operations Bldg	2				Water Utility Capital Division
	60954001	Pacheco Reservoir ExpansnStudy	447,577	12,809,339			Dam Safety and Capital Delivery Division
	Total Capital		**2,494,890**	**14,864,627**	**2,212,021**		
	Total		**61,714,664**	**68,677,980**	**61,306,826**		

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

This page left intentionally blank.

SERVICE FUNDS

Service Funds Overview

Valley Water manages three Internal Service Funds - the Fleet Management Fund, the Risk Fund and the Information Technology Fund. These funds provide goods and services to Valley Water Administration, Watersheds and Water Utility Enterprise divisions and recover costs through intra-district reimbursements. Intra-district reimbursements are the amounts needed for operations and to maintain adequate reserves in accordance with Valley Water Reserve Policy. Further information on each fund is provided below and in the pages that follow.

Fleet Management Fund

The Fleet Management Fund was established to capture the operations, maintenance and replacement costs of District-owned vehicles and equipment such as: sedans, vans, pickup trucks and field equipment (Class I); heavy duty trucks and trailers (Class II); heavy construction equipment (Class III); and, portable equipment including large pumps, electrical panels, hose and fittings, air compressors, chain saws, weed whackers, generators, etc. (Class IV). Reimbursement charges for FY 2019-20 total $5.7 million. The reimbursement rate is 6% for FY 2019-20.

Key Highlights

The following are key highlights for the upcoming fiscal year:

- Surplus and replacement of 11 vehicles and 20 pieces of construction equipment in accordance with the 12-year or 125,000-mile replacement criteria.
- Evaluate and implement industry best practices within operation.
- Conduct a vehicle utilization study in collaboration with user department to reduce underutilized assets.

Risk Insurance Fund

This fund was established to provide for liability, property, Workers' Compensation insurance and self-insurance costs. Included in this fund are various health and safety programs designed to ensure the safety and well-being of employees, a reserve for catastrophic uninsured property loss, and self-insurance reserves for both known and unreported Workers Compensation and liability claims set at levels prescribed by actuarial studies. Currently, loss prevention efforts are being integrated with other performance-based objectives such as quality and cost-control to ensure that health and safety activities are integrated into the day-to-day operations of Valley Water business. Valley Water supports the philosophy that all accidents and injuries are preventable through establishment of and compliance with safe work procedures and best management practices for our industry. Reimbursement charges for FY 2019-20 total $5.6 million with a reimbursement rate of 6.0%.

Key Highlights

The following are key highlights for the upcoming fiscal year:

- Continuing to administer the Workers Compensation program in a manner that increases employee awareness of potential dangers and seeks to reduce employee injuries and accidents.
- Continuing to administer the Liability and Property programs in a manner that provides prompt and fair adjustment of claims and losses.
- Continuing to manage safety, ergonomics and industrial hygiene programs in compliance with regulatory requirements and industry best practices.

Information Technology Fund

The Information Technology Fund was established to capture the operation, maintenance, and replacement costs of supporting the technology and information security needs of Valley Water. It accounts for all

network, data center, telecom, servers, computers, and business and support applications. Intra-District charges for this fund are set to recover the current operating costs. For FY 2019-20, $15.4 million will be recovered through Intra-District charges, the reimbursement rate is 17%.

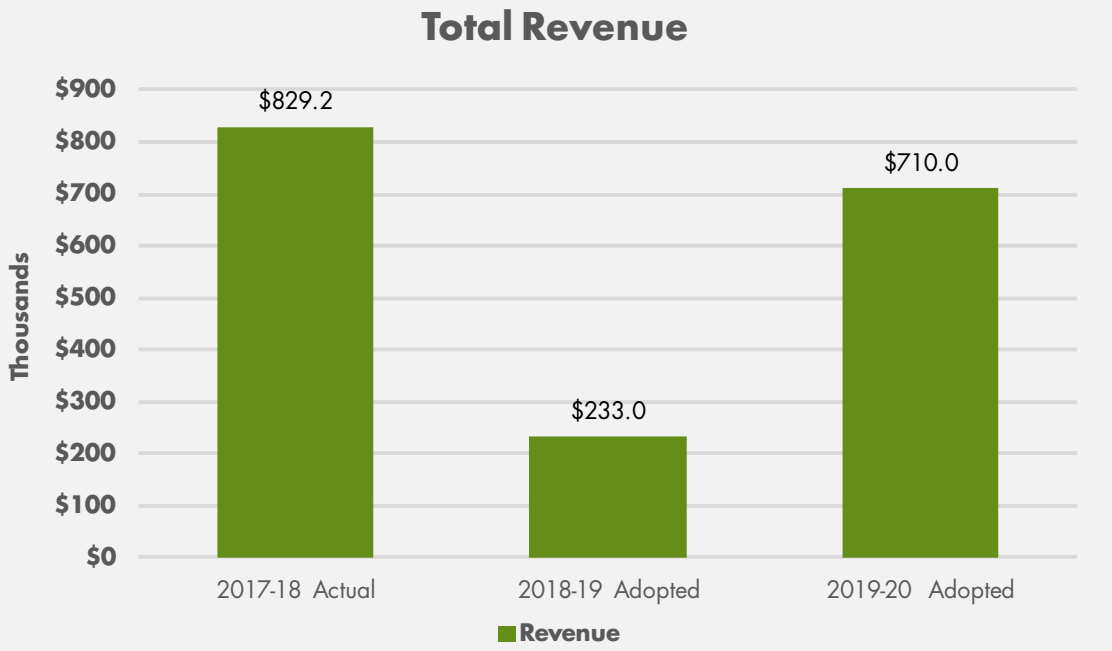
Major planned capital projects will be funded by operating transfers from the Watershed Stream Stewardship Fund and Water Utility Enterprise Fund. For FY 2019-20 total transfer amount is $4.1 million.

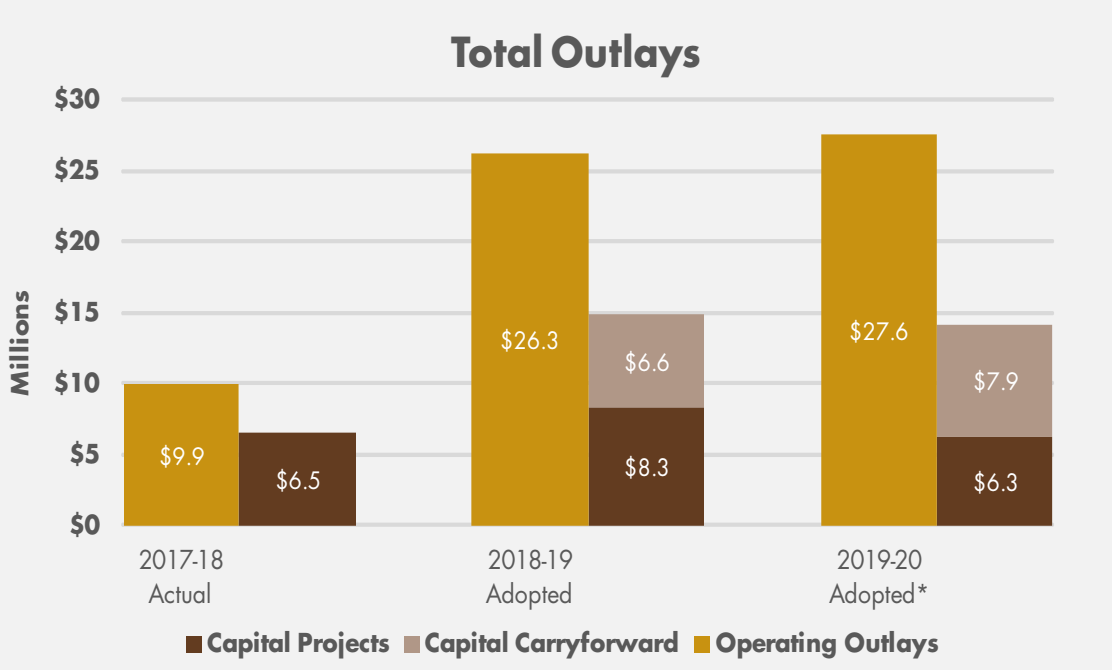
Key Highlights

The following are key highlights for the upcoming fiscal year:

- Begin implementing the IT Strategic Plan;
- Finalize contract agreement with Enterprise Resource Planning (ERP) Vendor and begin implementation;
- Complete implementation of e-litigation and e-discovery system;
- Start the Customer Relationship Management (CRM) project to replace Access District;
- Start the Enterprise Content Management (ECM) Pilot project with Community Project Review Unit;
- Complete the last phase of a multiyear wireless networking project, providing wireless networking at all District facilities;
- Prepare plans and implement IT disaster recovery systems and real-time cutover in the event of a major disaster;
- Continue addressing the findings of the Cyber Security Vulnerability Assessment report and implement the recommendations, thereby improving the security of Valley Water network;
- Complete upgrade of the water utility engineering technical infrastructure network; and
- Upgrade Valley Water 's telephone system.

Service Funds Combined





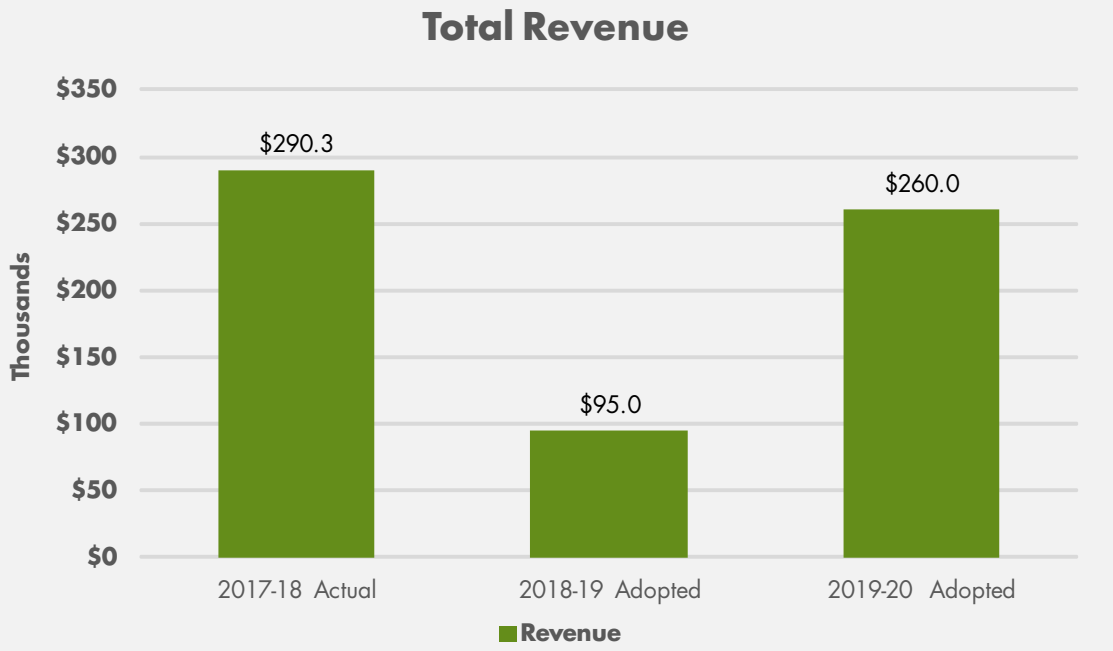
*Capital projects includes current year budget and prior year capital budget carry forward in the lighter shade

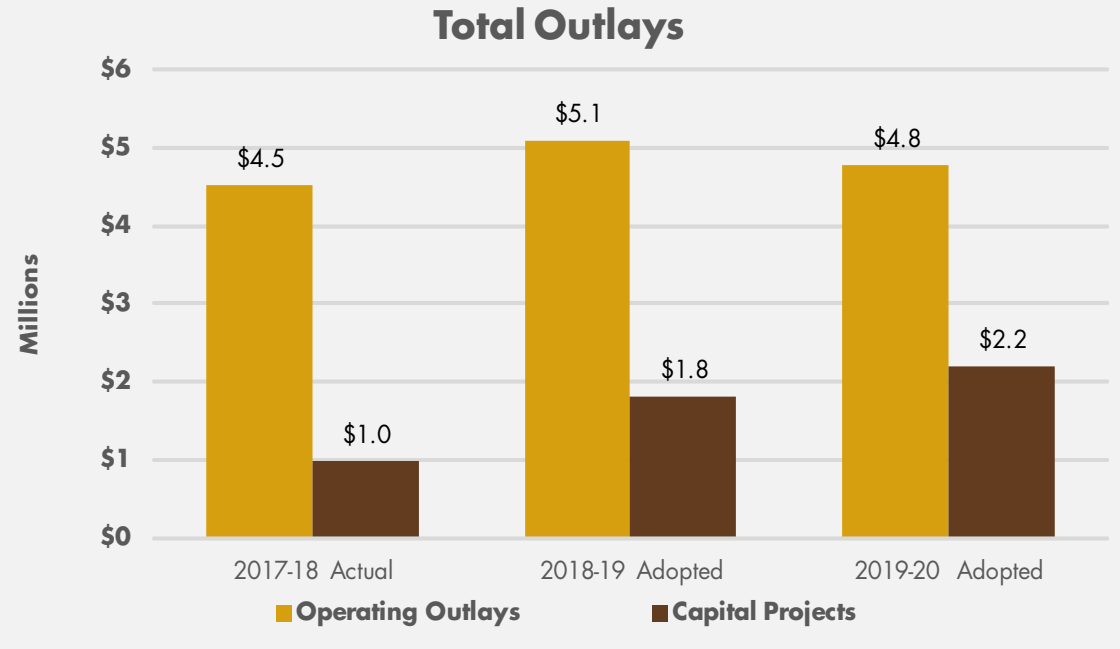
Service Funds Combined Summary

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted $ Diff	Change from 2018-19 Adopted % Diff
REVENUE						
Interest Income *	$ 435,808	$ 183,000	$ 460,000	$ 510,000	$ 327,000	178.7%
Non-Operating Other	393,374	50,000	50,000	200,000	150,000	300.0%
TOTAL REVENUE	**$ 829,182**	**$ 233,000**	**$ 510,000**	**$ 710,000**	**$ 477,000**	**204.7%**
OUTLAYS						
Operating Outlays						
Operations **	$ 9,426,657	$ 25,778,700	$ 25,278,700	$ 27,472,600	$ 1,693,900	6.6%
Operating Project	503,999	500,000	980,000	100,000	(400,000)	(80.0)%
Total Operating Outlays	**$ 9,930,656**	**$ 26,278,700**	**$ 26,258,700**	**$ 27,572,600**	**$ 1,293,900**	**4.9%**
Capital Outlays						
Capital Projects	$ 6,525,745	$ 8,330,610	$ 9,571,839	$ 6,327,257	$ (2,003,353)	(24.0)%
Carry Forward Capital Projects	—	6,591,017	—	7,916,000	1,324,983	20.1%
Total Capital Outlays	**$ 6,525,745**	**$ 14,921,627**	**$ 9,571,839**	**$ 14,243,257**	**$ (678,370)**	**(4.5)%**
TOTAL OUTLAYS**	**$ 16,456,401**	**$ 41,200,327**	**$ 35,830,539**	**$ 41,815,857**	**$ 615,530**	**1.5%**
Less Intra-District Reimb	(24,165,180)	(24,086,984)	(23,430,034)	(26,774,670)	(2,687,686)	11.2%
NET OUTLAYS	**$ (7,708,779)**	**$ 17,113,343**	**$ 12,400,505**	**$ 15,041,187**	**$ (2,072,156)**	**(12.1)%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 157,000	$ 6,513,610	$ 6,513,000	$ 4,130,000	$ (2,383,610)	(36.6)%
Transfers Out	—	—	—	—	—	—
TOTAL OTHER SOURCES/(USES)	**$ 157,000**	**$ 6,513,610**	**$ 6,513,000**	**$ 4,130,000**	**$ (2,383,610)**	**(36.6)%**
BALANCE AVAILABLE	**$ 8,694,961**	**$ (10,366,733)**	**$ (5,377,505)**	**$ (10,201,187)**	**$ 165,546**	**(1.6)%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects ***	$ 11,461,229	$ 441,273	$ 10,220,000	$ 2,304,000	$ 1,862,727	422.1%
Operating and Capital Reserve	6,419,453	1,184,522	4,444,921	2,048,125	863,603	72.9%
Catastrophy - Property Self-Insurance	8,733,047	5,014,194	6,002,303	6,113,912	1,099,718	21.9%
Workers Compensation Liability	6,465,000	6,000,000	7,034,000	7,034,000	1,034,000	17.2%
Total Committed Reserves	**$ 33,078,729**	**$ 12,639,989**	**$ 27,701,224**	**$ 17,500,037**	**$ 4,860,048**	**38.5%**
TOTAL YEAR-END RESERVES	**$ 33,078,729**	**$ 12,639,989**	**$ 27,701,224**	**$ 17,500,037**	**$ 4,860,048**	**38.5%**
UNCOMMITED FUNDS			**$ —**	**$ —**		

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

Fleet Management Fund





Fleet Management Fund Summary

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted $ Diff	Change from 2018-19 Adopted % Diff
REVENUE						
Interest Income *	$ 56,025	$ 45,000	$ 60,000	$ 60,000	$ 15,000	33.3%
Nonoperating Other	234,226	50,000	50,000	200,000	150,000	300.0%
TOTAL REVENUE	**$ 290,251**	**$ 95,000**	**$ 110,000**	**$ 260,000**	**$ 165,000**	**173.7%**
OUTLAYS						
Operating Outlays						
Operations **	$ 4,512,767	$ 5,092,094	$ 5,092,094	$ 4,772,872	$ (319,222)	(6.3)%
Total Operating Outlays	**$ 4,512,767**	**$ 5,092,094**	**$ 5,092,094**	**$ 4,772,872**	**$ (319,222)**	**(6.3)%**
Capital Outlays						
Capital Projects	$ 982,399	$ 1,817,000	$ 1,817,000	$ 2,197,000	$ 380,000	20.9%
Total Capital Outlays	**$ 982,399**	**$ 1,817,000**	**$ 1,817,000**	**$ 2,197,000**	**$ 380,000**	**20.9%**
TOTAL OUTLAYS**	**$ 5,495,166**	**$ 6,909,094**	**$ 6,909,094**	**$ 6,969,872**	**$ 60,778**	**0.9%**
Less Intra-District Reimb	(4,927,374)	(5,199,093)	(5,199,093)	(5,714,616)	(515,523)	9.9%
NET OUTLAYS	**$ 567,792**	**$ 1,710,001**	**$ 1,710,001**	**$ 1,255,256**	**$ (454,745)**	**(26.6)%**
BALANCE AVAILABLE	**$ (277,541)**	**$ (1,615,001)**	**$ (1,600,001)**	**$ (995,256)**	**$ 619,745**	**(38.4)%**
YEAR-END RESERVES						
Committed Reserves						
Operating and Capital Reserve	$ 3,701,112	$ 376,396	$ 2,101,111	$ 1,105,855	$ 729,459	193.8%
Total Committed Reserves	**$ 3,701,112**	**$ 376,396**	**$ 2,101,111**	**$ 1,105,855**	**$ 729,459**	**193.8%**
TOTAL YEAR-END RESERVES	**$ 3,701,112**	**$ 376,396**	**$ 2,101,111**	**$ 1,105,855**	**$ 729,459**	**193.8%**
UNCOMMITED FUNDS			**$ —**	**$ —**		

Outlay Summary by Account Type

OPERATING OUTLAY						
Salaries & Benefits	$ 1,724,404	$ 1,831,720	$ 1,831,720	$ 1,649,982	$ (181,738)	(9.9)%
Services & Supplies	1,730,573	2,176,807	2,176,807	2,301,163	124,356	5.7%
Intra-District Charges	1,057,790	1,083,567	1,083,567	821,727	(261,840)	(24.2)%
OPERATING OUTLAY TOTAL	**$ 4,512,767**	**$ 5,092,094**	**$ 5,092,094**	**$ 4,772,872**	**$ (319,222)**	**(6.3)%**
CAPITAL PROJECTS						
Services & Supplies	$ 982,399	$ 1,817,000	$ 1,817,000	$ 2,197,000	$ 380,000	20.9%
CAPITAL PROJECTS TOTAL	**$ 982,399**	**$ 1,817,000**	**$ 1,817,000**	**$ 2,197,000**	**$ 380,000**	**20.9%**
TOTAL OUTLAYS**	**$ 5,495,166**	**$ 6,909,094**	**$ 6,909,094**	**$ 6,969,872**	**$ 60,778**	**0.9%**
Total Outlays Variance Check	**$ —**	**$ —**	**$ —**	$	$	

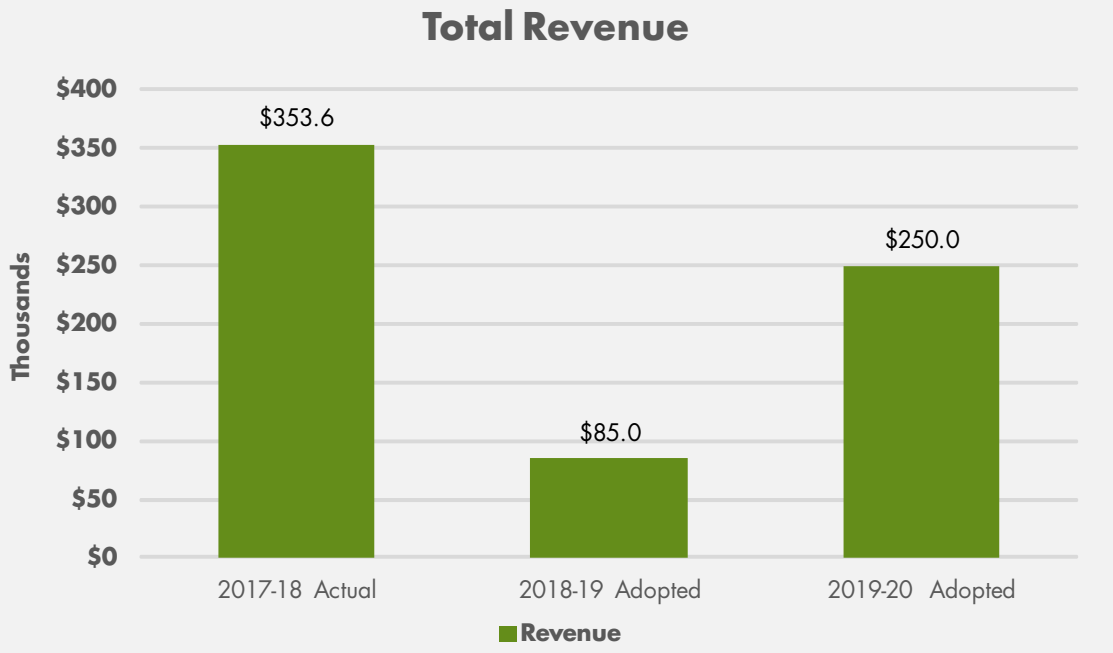
(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

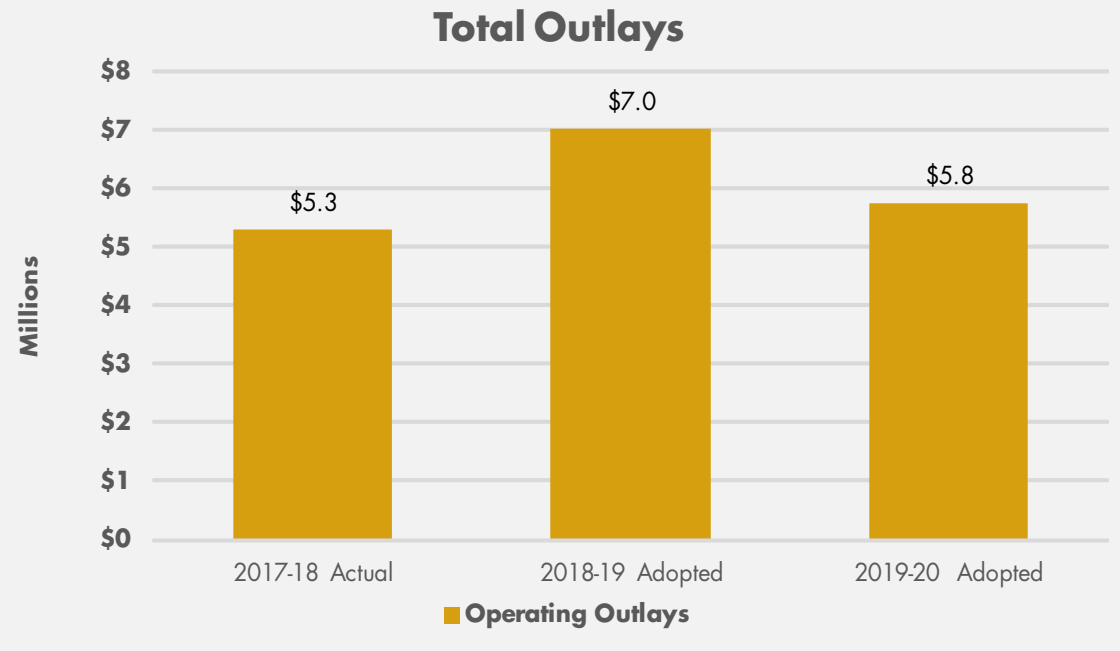
Total Outlays - Fleet Management Fund

	Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
Operations							
	70011099	Class I Equip Oper / Maint	722,263	779,757	822,399		General Services Division
	70021099	Class II Equip Oper / Maint	907,228	945,769	992,551		General Services Division
	70031099	Class III Equip Oper / Maint	203,994	315,575	316,369		General Services Division
	70041099	Class IV Equip Oper / Maint	1,005,828	1,242,903	1,300,775		General Services Division
	70061003	Vehicle & Equipment Admin&Mgmt	1,477,656	1,527,944	1,100,433		General Services Division
*	70061045	Asset Management Program	56,111	195,478	162,416		Raw Water Operations & Maintenance Division
*	70061053	CMMS Admin	91,827				Raw Water Operations & Maintenance Division
*	70071041	Welding Services	28,211	60,875	54,573		Office of COO IT and Admin Services
*	70811046	Warehouse Services	19,650	23,793	23,356		Office of COO IT and Admin Services
Total Operations			**4,512,767**	**5,092,094**	**4,772,872**		
Capital							
	70004001	New Vehicle Equip Acquisitio	(500)		474,000		General Services Division
	70004002	Replacement Vehicle & Equip	982,899	1,817,000	1,723,000		General Services Division
Total Capital			**982,399**	**1,817,000**	**2,197,000**		
Total			**5,495,166**	**6,909,094**	**6,969,872**		

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Risk Insurance Fund





Risk Insurance Fund Summary

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted $ Diff	Change from 2018-19 Adopted % Diff
REVENUE						
Interest Income *	$ 194,484	$ 85,000	$ 200,000	$ 250,000	$ 165,000	194.1%
Nonoperating Other	159,147	—	—	—	—	—
TOTAL REVENUE	**$ 353,631**	**$ 85,000**	**$ 200,000**	**$ 250,000**	**$ 165,000**	**194.1%**
OUTLAYS						
Operating Outlays						
Operations **	$ 4,803,597	$ 6,531,744	$ 6,031,744	$ 5,660,064	$ (871,680)	(13.3)%
Operating Project	503,999	500,000	980,000	100,000	(400,000)	(80.0)%
Total Operating Outlays	**$ 5,307,596**	**$ 7,031,744**	**$ 7,011,744**	**$ 5,760,064**	**$ (1,271,680)**	**(18.1)%**
TOTAL OUTLAYS**	**$ 5,307,596**	**$ 7,031,744**	**$ 7,011,744**	**$ 5,760,064**	**$ (1,271,680)**	**(18.1)%**
Less Intra-District Reimb	(7,038,607)	(5,306,950)	(4,650,000)	(5,621,673)	(314,723)	5.9%
NET OUTLAYS	**$ (1,731,011)**	**$ 1,724,794**	**$ 2,361,744**	**$ 138,391**	**$ (1,586,403)**	**(92.0)%**
BALANCE AVAILABLE	**$ 2,084,642**	**$ (1,639,794)**	**$ (2,161,744)**	**$ 111,609**	**$ 1,751,403**	**(106.8)%**
YEAR-END RESERVES						
Committed Reserves						
Catastrophy - Property Self-Insurance	$ 8,733,047	$ 5,014,194	$ 6,002,303	$ 6,113,912	$ 1,099,718	21.9%
Workers Compensation Liability	6,465,000	6,000,000	7,034,000	7,034,000	1,034,000	17.2%
Total Committed Reserves	**$ 15,198,047**	**$ 11,014,194**	**$ 13,036,303**	**$ 13,147,912**	**$ 2,133,718**	**19.4%**
TOTAL YEAR-END RESERVES	**$ 15,198,047**	**$ 11,014,194**	**$ 13,036,303**	**$ 13,147,912**	**$ 2,133,718**	**19.4%**
UNCOMMITED FUNDS			**$ —**	**$ —**		

Outlay Summary by Account Type

OPERATING OUTLAY						
Salaries & Benefits	$ 1,844,994	$ 2,088,878	$ 2,088,878	$ 1,991,775	$ (97,103)	(4.6)%
Services & Supplies	2,307,544	3,695,661	3,675,660	2,731,622	(964,039)	(26.1)%
Intra-District Charges	1,155,058	1,247,206	1,247,206	1,036,667	(210,539)	(16.9)%
OPERATING OUTLAY TOTAL	**$ 5,307,596**	**$ 7,031,745**	**$ 7,011,744**	**$ 5,760,064**	**$ (1,271,681)**	**(18.1)%**
TOTAL OUTLAYS**	**$ 5,307,596**	**$ 7,031,745**	**$ 7,011,744**	**$ 5,760,064**	**$ (1,271,681)**	**(18.1)%**
Total Outlays Variance Check	**$ —**	**$ (1)**		**$ —**	**$ 1**	

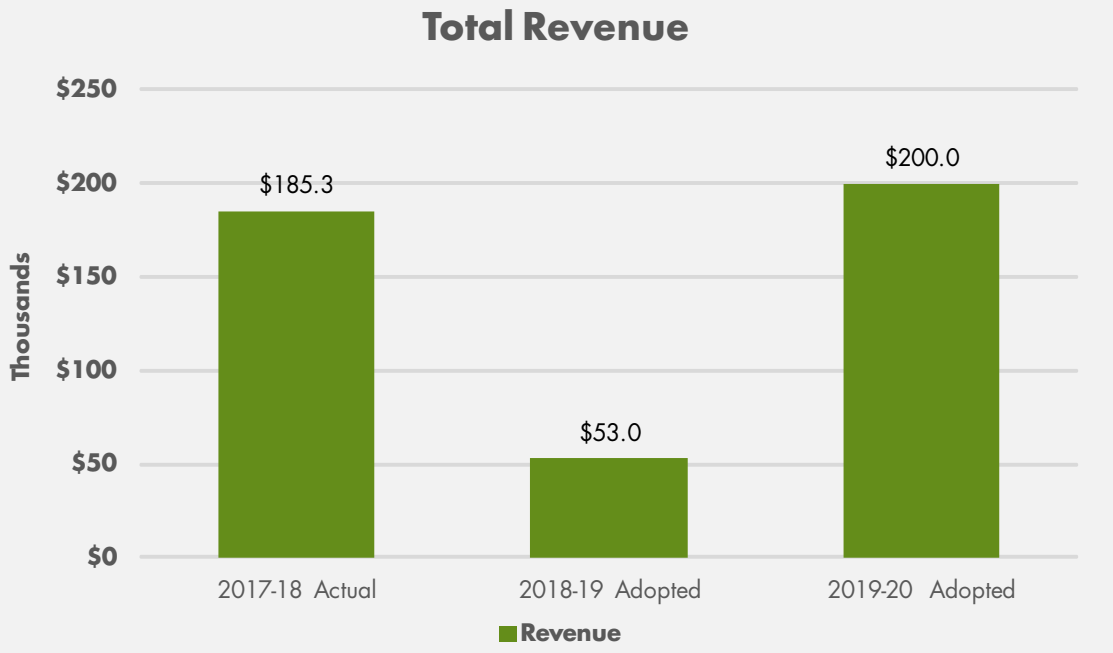
(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

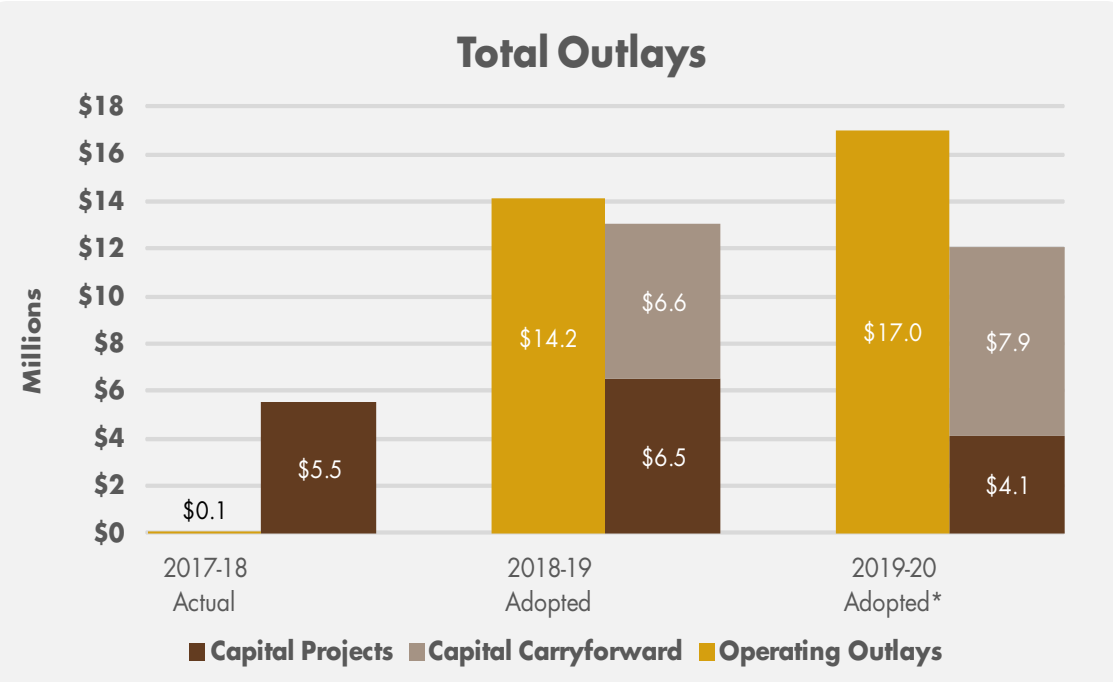
Total Outlays - Risk Insurance Fund

Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
Operations						
65051001	Risk Management	1,504,552	2,634,136	2,077,077		Office of District Counsel
65051002	Workers Compensation Program	701,310	841,334	854,767		Office of District Counsel
65051003	Health&Safety Program Mgt	2,597,735	3,056,275	2,728,219		General Services Division
Total Operations		**4,803,597**	**6,531,744**	**5,660,063**		
Operating						
65052001	2017 President Day Flood	503,999	500,000	100,000		Office of District Counsel
Total Operating		**503,999**	**500,000**	**100,000**		
Total		**5,307,596**	**7,031,744**	**5,760,063**		

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

Information Technology Fund





*Capital projects includes current year budget and prior year capital budget carry forward in the lighter shade

Information Technology Fund Summary

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted $ Diff	Change from 2018-19 Adopted % Diff
REVENUE						
Interest Income *	$ 185,298	$ 53,000	$ 200,000	$ 200,000	$ 147,000	277.4%
TOTAL REVENUE	**$ 185,298**	**$ 53,000**	**$ 200,000**	**$ 200,000**	**$ 147,000**	**277.4%**
OUTLAYS						
Operating Outlays						
Operations **	$ 110,293	$ 14,154,862	$ 14,154,862	$ 17,039,664	$ 2,884,802	20.4%
Total Operating Outlays	**$ 110,293**	**$ 14,154,862**	**$ 14,154,862**	**$ 17,039,664**	**$ 2,884,802**	**20.4%**
Capital Outlays						
Capital Projects	$ 5,543,346	$ 6,513,610	$ 7,754,839	$ 4,130,257	$ (2,383,353)	(36.6)%
Carry Forward Capital Projects	—	6,591,017	$	7,916,000	1,324,983	20.1%
Total Capital Outlays	**$ 5,543,346**	**$ 13,104,627**	**$ 7,754,839**	**$ 12,046,257**	**$ (1,058,370)**	**(8.1)%**
TOTAL OUTLAYS**	**$ 5,653,639**	**$ 27,259,489**	**$ 21,909,701**	**$ 29,085,921**	**$ 1,826,432**	**6.7%**
Less Intra-District Reimb	(12,199,199)	(13,580,941)	(13,580,941)	(15,438,381)	(1,857,440)	13.7%
NET OUTLAYS	**$ (6,545,560)**	**$ 13,678,548**	**$ 8,328,760**	**$ 13,647,540**	**$ (31,008)**	**(0.2)%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 157,000	$ 6,513,610	$ 6,513,000	$ 4,130,000	$ (2,383,610)	(36.6)%
TOTAL OTHER SOURCES/(USES)	**$ 157,000**	**$ 6,513,610**	**$ 6,513,000**	**$ 4,130,000**	**$ (2,383,610)**	**(36.6)%**
BALANCE AVAILABLE	**$ 6,887,858**	**$ (7,111,938)**	**$ (1,615,760)**	**$ (9,317,540)**	**$ (2,205,602)**	**31.0%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects ***	$ 11,461,229	$ 441,273	$ 10,220,000	$ 2,304,000	$ 1,862,727	422.1%
Operating and Capital Reserve	2,718,341	808,126	2,343,810	942,270	134,144	16.6%
Catastrophy - Property Self-Insurance	—	—	—	—	—	—
Workers Compensation Liability	—	—	—	—	—	—
Total Committed Reserves	**$ 14,179,570**	**$ 1,249,399**	**$ 12,563,810**	**$ 3,246,270**	**$ 1,996,871**	**159.8%**
TOTAL YEAR-END RESERVES	**$ 14,179,570**	**$ 1,249,399**	**$ 12,563,810**	**$ 3,246,270**	**$ 1,996,871**	**159.8%**
UNCOMMITED FUNDS			**$ —**	**$ —**		

Information Technology Fund Summary (Continued)

	Budgetary Basis Actual 2017-18	Adopted Budget 2018-19	Projected Year End 2018-19	Adopted Budget 2019-20	Change from 2018-19 Adopted $ Diff	Change from 2018-19 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries & Benefits	$ 24,389	$ 5,824,183	$ 5,824,183	$ 6,753,465	$ 929,282	16.0%
Services & Supplies	71,169	5,307,780	5,307,780	7,374,411	2,066,631	38.9%
Intra-District Charges	14,735	3,022,899	3,022,899	2,911,788	(111,111)	(3.7)%
OPERATING OUTLAY TOTAL	**$ 110,293**	**$ 14,154,862**	**$ 14,154,862**	**$ 17,039,664**	**$ 2,884,802**	**20.4%**
CAPITAL PROJECTS						
Salaries & Benefits	$ 818,359	$ 2,670,656	$ 2,670,656	$ 1,212,103	$ (1,458,553)	(54.6)%
Services & Supplies	4,260,185	2,366,321	3,607,550	2,671,968	305,647	12.9%
Carry Forward Capital Projects	—	6,591,017	—	7,916,000	1,324,983	20.1%
Intra-District Charges	464,802	1,476,633	1,476,633	246,186	(1,230,447)	(83.3)%
CAPITAL PROJECTS TOTAL	**$ 5,543,346**	**$ 13,104,627**	**$ 7,754,839**	**$ 12,046,257**	**$ (1,058,370)**	**(8.1)%**
TOTAL OUTLAYS****	**$ 5,653,639**	**$ 27,259,489**	**$ 21,909,701**	**$ 29,085,921**	**$ 1,826,432**	**6.7%**

Total Outlays Variance Check

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****) Starting FY 2018-19, IT operations projects were consolidated into the IT fund. IT operations costs were previously accounted for in General Fund.

Total Outlays - Information Technology Fund

	Project #	Project Description	Budgetary Basis Actual 2017-2018	Adopted Budget 2018-2019	Adopted Budget 2019-2020	Estimated Carry Forward Budget 2019-2020***	Project Managed By
Operations							
	73271001	Telecommunications Sys Opr/M	98	2,023,657	2,269,534		Information Technology Division
	73271002	Technical Infrastructure Servi		742,427	1,060,489		Information Technology Division
	73271003	Network Administration	931	2,382,157	2,522,266		Information Technology Division
	73271004	Information Security Admin		376,608	833,996		Information Technology Division
	73271005	Offce Cmptr Maint/Help Dsk Sup		1,707,619	1,643,345		Information Technology Division
	73271006	Info Technology Div Admin		877,771	1,508,678		Information Technology Division
	73271007	Emerging IT Technologies	109,164	102,669	123,943		Information Technology Division
	73271008	Software Maint & License		1,171,150	1,353,182		Information Technology Division
	73271009	Software Services	99	4,770,804	5,724,231		Information Technology Division
Total Operations			**110,293**	**14,154,862**	**17,039,664**		
Capital							
	73274001	IT Disaster Recovery	72,613			2,133,000	Information Technology Division
	73274002	ERP System Implementation	626,565	3,660,158		4,876,000	Information Technology Division
	73274004	Network Equipment	1,792,179	1,185,799	990,396		Information Technology Division
	73274006	Office Computers Replace Equip	1,044,777	1,024,703	1,182,287		Information Technology Division
**	73274007	Vena Software Implementation	252,957				Information Technology Division
	73274008	Software Upgrades & Enhancemen	320,284	559,358	781,203		Information Technology Division
	73274009	Data Consolidation	18,599	83,591	60,371	883,000	Information Technology Division
	73274010	Boardroom Technology Upgrade	830,035				Information Technology Division
	73274011	E-Discovery Management System	585,337			24,000	Information Technology Division
	73274012	Telephone System Voice Over IP			1,116,000		Information Technology Division
Total Capital			**5,543,347**	**6,513,610**	**4,130,257**	**7,916,000**	
Total			**5,653,640**	**20,668,473**	**21,169,921**	**7,916,000**	

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2018-19 that will be carried forward to FY2019-20

This page left intentionally blank.



Resolutions

FY 2019-20

Operating and Capital Budget

RESOLUTIONS

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 19-33

ESTABLISHING LAND USE CATEGORIES, CONFIRMING A LEVY OF BENEFIT ASSESSMENTS TO MEET DULY AUTHORIZED DEBT OBLIGATIONS FOR FISCAL YEAR 2019-2020 IN FLOOD CONTROL ZONES OF SANTA CLARA VALLEY WATER DISTRICT, IN ACCORDANCE WITH RESOLUTION NOS. 86-54, 86-55, 86-56, 86-57, AND 90-7, AND AUTHORIZING A PROCEDURE FOR CORRECTING ASSESSMENTS

BE IT RESOLVED, by the Board of Directors of the Santa Clara Valley Water District (Valley Water) as follows:

FIRST: In accordance with the requirements of law and of the terms of Valley Water Resolutions 86-54, 86-55, 86-56, 86-57, and 90-7, the Chief Executive Officer (CEO) of Valley Water has caused a written report to be prepared and filed for the fiscal year 2019-20, setting forth the annual amounts to be collected through benefit assessment rates in each established flood control zone of Valley Water, pursuant to a voter-approved program.

SECOND: Upon receiving and filing the report, the Clerk of the Board gave notice of a hearing on the same by posting at least three copies of the notice in each established flood control zone of Valley Water and by publication pursuant to Section 6066 of the Government Code.

THIRD: The Board, having heard the matter as scheduled or as postponed or duly continued, does hereby:

A. Fix and establish land use categories for each parcel of land to be assessed in Valley Water as follows:

Group A: Land used for commercial or industrial purposes.

Group B: Land used for apartments or institutional purposes such as churches and schools.

Group C: The first 0.25 acre of a parcel of land used for single- and multiple-family residences up to four units, and each townhouse or condominium unit in a complex.

Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses, and similar uses.

(2) The portion of land, if any, in excess of 0.25 acre of a parcel used for single-family residential purposes.

Group E: Vacant, undisturbed land (1) in urban areas and (2) in rural areas including dry farmland, grazing and pastureland, forest and brushland, salt ponds, and parcels used exclusively as well sites.

Establishing Land Use Categories, Confirming a Levy of Benefit Assessments to Meet Duly Authorized Debt Obligations for Fiscal Year 2019-2020 in Flood Control Zones of Santa Clara Valley Water District, in Accordance With Resolution Nos. 86-54, 86-55, 86-56, 86-57, and 90-7, and Authorizing a Procedure for Correcting Assessments

Resolution No. 19- 33

B. Levy, fix, and establish flood control benefit assessments for fiscal year 2019–20 commencing July 1, 2019, and ending June 30, 2020, on each parcel of real property in each established flood control zone of Valley Water, at the benefit assessment rates and minimum charges for each of the established land use categories to raise sufficient proceeds to meet duly authorized debt obligations of each flood control zone as follows:

FLOOD CONTROL BENEFIT ASSESSMENTS TO BE COLLECTED IN 2019–2020

Flood Control Zone	Debt Obligation
Northwest	$2,731,842
North Central	$2,277,595
Central	$4,598,761
East	$3,972,283
South	$0

C. The actual 2019-2020 rates shall be determined by the CEO or her designee, once updated parcel land use and area information is received from the Santa Clara County Assessor's Office. These rates shall be used to prepare the benefit assessments for each parcel and shall be submitted to the Santa Clara County Tax Collector for collection.

FOURTH: Benefit assessments found to be in error and that result in an over assessment to property owners may be corrected by a check or checks drawn upon the appropriate Benefit Assessment Fund upon approval by the Chief Financial Officer and pursuant to procedures approved by Valley Water's CEO and the District Counsel.

FIFTH: Paragraph D of the SECOND section of Resolutions 86-54, 86-55, 86-56, 86-57, and 90-7 are hereby amended to provide as follows:

> Upon receiving and filing the report the Clerk of the Board shall fix a time, date and place for a hearing on the report, preceded by notice published pursuant to Section 6066 of the California Government Code and by posting the notice as provided by law.

SIXTH: The Clerk of the Board shall file certified copies of this resolution with both the Tax Roll Control Office of County of Santa Clara and with the Recorder of said County.

Establishing Land Use Categories, Confirming a Levy of Benefit Assessments to Meet Duly Authorized Debt Obligations for Fiscal Year 2019-2020 in Flood Control Zones of Santa Clara Valley Water District, in Accordance With Resolution Nos. 86-54, 86-55, 86-56, 86-57, and 90-7, and Authorizing a Procedure for Correcting Assessments

Resolution No. 19- 33

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 14, 2019:

AYES: Directors R. Santos, J. Varela, T. Estremera, N. Hsuen, B. Keegan, G. Kremen, L. LeZotte

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 19-34

APPROVING FISCAL YEARS 2020–2024 FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM

WHEREAS, the Santa Clara Valley Water District (Valley Water) has determined that it is in its best interest to prepare a Five-Year Capital Improvement Program (CIP) and to have it reviewed by the County and cities having land use jurisdiction within Santa Clara County; and

WHEREAS, the Board of Directors of Valley Water was presented with a draft Fiscal Years (FY) 2020–2024 Five-Year CIP on February 26, 2019; and

WHEREAS, the draft CIP was transmitted to the cities and towns in Santa Clara County and to the County of Santa Clara for their review on March 20, 2019, and Valley Water staff is conducting subsequent meetings regarding the Draft CIP with most of these agencies; and

WHEREAS, on April 24, and May 14, 2019, Valley Water conducted a public hearing for purposes of receiving input with regard to the draft FY 2020–24 Five-Year CIP, and considered the inclusion of appropriate comments as input to the FY 2021–25 Five-Year CIP.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District does hereby approve the FY 2020–24 Five-Year Capital Improvement Program.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 14, 2019:

AYES:	Directors	T. Estremera, R. Santos, N. Hsueh, B. Keegan, G. Kremen, J. Varela, L. LeZotte
NOES:	Directors	None
ABSENT:	Directors	None
ABSTAIN:	Directors	None

SANTA CLARA VALLEY WATER DISTRICT

By: _____
LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

_____
Clerk, Board of Directors

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 19-35

PROVIDING FOR LEVY OF THE SPECIAL TAX PURSUANT TO THE SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION MEASURE IN THE COMBINED FLOOD CONTROL ZONE OF THE SANTA CLARA VALLEY WATER DISTRICT AND AUTHORIZING A PROCEDURE FOR CORRECTING SPECIAL TAX AMOUNTS FOR FISCAL YEAR 2019-2020

WHEREAS, the Santa Clara Valley Water District (Valley Water) owns property and builds, operates and maintains infrastructure in Santa Clara County to: ensure a safe, reliable water supply for the future; reduce toxins, hazards and contaminants, such as mercury and pharmaceuticals, in our waterways; protect our water supply and local dams from the impacts of earthquakes and natural disasters; restore fish, bird and wildlife habitat, and provide open space access; and provide flood protection to homes, business, schools, streets and highways; and

WHEREAS, more than two-thirds of the electors voting in the Santa Clara County did favor a special tax measure in the November 6, 2012, General Election thereby approving the special tax specified in Resolution No. 12-62 for designated purposes.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District (Board) as follows:

FIRST: The Chief Executive Officer (CEO) of Valley Water has directed a summary report to be prepared for fiscal year July 1, 2019, through June 30, 2020, that includes the proposed special tax rates for that year ("Report"), and presented that Report on May 14, 2019, as an attachment to an agenda memorandum with the subject "Safe, Clean Water and Natural Flood Protection Special Tax Summary Report and Resolution Setting the Special Tax Rates for Fiscal Year 2019-2020 (FY 2019-20)."

SECOND: A special tax is hereby levied on each parcel of real property in the Combined Zone consisting of the aggregate metes and bounds of District Zones One, Two, Three, Four, and Five as presently existing ("Combined Zone") for the purposes stated in the Report, and as authorized according to the minimums and methods described in this resolution. Except for the minimum special tax as hereinafter indicated, the special tax for each parcel of real property in the Combined Zone is computed by determining that parcel's area in acres or fractions thereof, its land use category (as hereinafter defined) and then multiplying the area by the special tax rate applicable to land in such land use category. A minimum special tax shall be levied on each parcel of real property having a land area up to: (i) 0.25 acre for Groups A, B, and C; and (ii) up to 10 acres for Groups D and E Urban. For Group E Rural, the minimum special tax shall be that as calculated for the E Urban category, but shall apply to parcels of 80 acres or less. A minimum special tax shall be levied in Group B per unit for condominiums and townhouses without regard to parcel size.

Providing for Levy of the Special Tax Pursuant to the Safe, Clean Water and Natural Flood Protection Measure in the Combined Flood Control Zone of the Santa Clara Valley Water District and Authorizing a Procedure for Correcting Special Tax Amounts for Fiscal Year 2019-2020

Resolution No. 19-35

THIRD: Special tax rates for land use categories for each parcel of land in the Combined Zone are defined and established as follows:

Group A: Land used for commercial or industrial purposes: $541.61 per acre, $135.39 minimum for parcels up to 0.25 acre.

Group B: Land used for institutional purposes such as churches and schools or multiple dwellings in excess of four units, including (1) apartment complexes, mobile home parks, and recreational vehicle parks: $406.20 per acre, $101.55 minimum for parcels up to 0.25 acre; and (2) condominiums and townhouses: $32.95 per unit.

Group C: Parcels up to 0.25 acre used for single-family residences and multiple-family units up to four units: $67.67. The first 0.25 acre of a parcel of land used for single-family residential purposes: $67.67.

Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses and similar uses: $3.47 per acre, $34.70 minimum on parcels less than 10 acres. (2) The portion of a parcel, if any, in excess of 0.25 acre used for single-family residential purposes: $3.47 per acre.

Group E: Vacant undisturbed land (1) in urban areas: $1.02 per acre, $10.23 minimum on parcels less than 10 acres; and (2) in rural areas: $0.13 per acre, with a $10.23 minimum.

Group F: Parcels used exclusively as well sites for residential uses are exempt from the special tax.

Parcels owned by federal, state, or local government agencies are exempt from this special tax.

FOURTH: Valley Water will provide an exemption from the special tax for low-income owner-occupied residential properties for taxpayer-owners 65 years of age or older as follows:

Residential parcels where the total annual household income does not exceed 75 percent of the latest available figure for state median income at the time the annual tax is set, and where such parcel is owned and occupied by at least one person who is aged 65 years or older, shall be exempt from the applicable special tax for fiscal year 2019-2020 upon requesting such exemption from Valley Water prior to or during fiscal year 2019-2020. Granting similar exemptions for fiscal years beyond Fiscal Year 2019-2020 will be made at the discretion of the Board.

Providing for Levy of the Special Tax Pursuant to the Safe, Clean Water and Natural Flood Protection Measure in the Combined Flood Control Zone of the Santa Clara Valley Water District and Authorizing a Procedure for Correcting Special Tax Amounts for Fiscal Year 2019-2020

Resolution No. 19-35

FIFTH: Any special tax amount found to be in error and that results in an overstatement of tax to a property owner may be corrected by a check or checks drawn upon the Safe, Clean Water and Natural Flood Protection Fund upon approval by the Valley Water Chief Financial Officer and pursuant to procedures approved by Valley Water's CEO and District Counsel.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 14, 2019.

AYES:	Directors	N. Hsueh, R. Santos, T. Estremera, B. Keegan, G. Kremen, J. Varela, L. LeZotte
NOES:	Directors	None
ABSENT:	Directors	None
ABSTAIN:	Directors	None

SANTA CLARA VALLEY WATER DISTRICT

By: _____
LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

_____
Clerk, Board of Directors

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 19-36

DETERMINING GROUNDWATER PRODUCTION CHARGES
FOR FISCAL YEAR 2019–2020

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (Valley Water) does find and declare as follows:

1. That pursuant to Section 26.5 of the Santa Clara Valley Water District Act ("District Act"), a written report detailing Valley Water's activities in the protection and augmentation of the water supplies of Valley Water, has been prepared including: a financial analysis of Valley Water's water utility system, information as to the present and future water requirements of Valley Water, the water supply available to Valley Water, and future capital improvements and maintenance and operating requirements, a method of financing such requirements, a recommendation as to whether or not the groundwater production charge should continue to be levied in any zone or zones of Valley Water during the ensuing fiscal year and, a proposal of a rate per acre-foot for agricultural water and a rate per acre-foot for all water other than agricultural water for Zones W2 and W5;

2. That on the 22nd day of February 2019, said report was duly delivered to the Clerk of the Valley Water Board;

3. That the Clerk, pursuant to Section 26.6 of the District Act, gave due notice of the receipt of the report and of a public hearing to be held commencing on the 9th day of April 2019, at Valley Water at the address and at the time stated;

4. That on February 22, 2019, written notice was mailed to all owners and operators of water-producing facilities within Valley Water's boundaries, advising of the proposed groundwater production charge rates to be levied, and of the opportunities to be heard concerning such charges;

5. That pursuant to Section 26.6 of the District Act, on the 9th day of April 2019, at 1 p.m. in the Santa Clara Valley Water District Boardroom located at 5700 Almaden Expressway, San Jose, an opportunity for the public to comment upon said report was duly commenced and was continued for further hearing to the evening of April 11, 2019 (in Morgan Hill) and again to the evening of April 23, 2019 (in San Jose), whereupon the hearing was concluded, more than 45 days after notice of the hearing was given;

6. That during said public hearing, additional information and evidence was provided that was considered by the Board in making its decision on groundwater production charges, and the public and all persons subject to groundwater production charges were invited to speak or present written comments at each session of the hearing;

7. That the charges established by this resolution are for the purpose of paying the cost of constructing, maintaining and operating facilities to import water into Valley Water, paying the cost of purchasing imported water, paying the cost of constructing, maintaining and operating facilities for groundwater recharge, surface distribution, and the purification and treatment of water, and paying the principal and interest of any

bonded indebtedness or other financial obligations of Valley Water incurred for those purposes;

8. That this Board considered all comments objecting to the proposed groundwater production charge increases for Zones W-2 and W-5.;

9. That this Board, based on the whole record before it, finds that the revenues derived from the groundwater production charges will not exceed the funds required to provide services to Zones W-2 and W-5, as authorized under the District Act, and that the amount levied does not and will not exceed the proportional cost of service; and

10. That the California Environmental Quality Act does not apply to approval of these charges pursuant to the statutory exemption set forth in California Code of Regulations Title 14, Chapter 3, Section 15273, because, as identified in Valley Water's annual report on the protection and augmentation of the water supplies of Valley Water, the charges are expressly made for the purpose of:

    a. Meeting operating expenses, including employee wage rates and fringe benefits,

    b. Purchasing or leasing supplies, equipment or materials,

    c. Meeting financial reserve needs, and

    d. Obtaining funds for capital projects necessary to maintain service within existing service areas.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

FIRST: Valley Water activities in the geographic area identified as Zone W-2 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone; and Valley Water activities in the geographic area of Valley Water identified as Zone W-5 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone. Revenues derived from groundwater production charges shall be used only for such activities as authorized under the District Act.

SECOND: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2018–2019 groundwater production charges per acre-foot for agricultural water and water other than agricultural water should be extended and increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-2 of Valley Water for fiscal year 2019–2020 (July 1, 2019–June 30, 2020) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
$1,374.00	$28.86

Determining Groundwater Production Charges for Fiscal Year 2019–2020
Resolution No. 19- 36

THIRD: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2018–2019 groundwater production charges per acre-foot for agricultural water and water other than agricultural water should be extended and increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-5 of Valley Water for fiscal year 2019–2020 (July 1, 2019–June 30, 2020) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
$481.00	$28.86

FOURTH: Notice of the setting of groundwater production charges in the identified rates shall be given as provided in Section 26.8 of the District Act.

FIFTH: The groundwater production charges set forth in this resolution shall be in effect until subsequent action of this Board modifying them.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 14, 2019:

AYES: Directors T. Estremera, N. Hsueh, B. Keegan, G. Kremen, R. Santos, J. Varela, L. LeZotte
NOES: Directors None
ABSENT: Directors None
ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: _____
LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

_____
Clerk, Board of Directors

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 19-37

DETERMINING SURFACE WATER, TREATED WATER, AND SOUTH COUNTY RECYCLED WATER CHARGES FOR FISCAL YEAR 2019–2020

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (Valley Water) does find and declare as follows:

1. That pursuant to Section 26.5 of the Santa Clara Valley Water District Act ("District Act"), a written report detailing Valley Water's activities in the protection and augmentation of the water supplies of Valley Water, including a recommendation as to charges for surface water that should be imposed in any Zones W-2 and W-5 of Valley Water during the ensuing fiscal year;

2. That on February 22, 2019, written notice was mailed to all owners and operators of water-producing facilities within Valley Water's boundaries, advising of the proposed raw surface water charge rates to be levied, and of the opportunities to be heard concerning such charges, including the right to file a written protest objecting to any applicable proposed increase;

3. That pursuant to Section 26.6 of the District Act, on the 9th day of April 2019, at 1 p.m. in the Valley Water Boardroom located at 5700 Almaden Expressway, San Jose, a public hearing upon said report was duly commenced and was continued for further hearing to the evening of April 11, 2019 (in Morgan Hill) and again to the evening of April 23, 2019 (in San Jose), whereupon the hearing was concluded;

4. That during said public hearing, additional information and evidence was provided that was considered by the Board in making this decision;

5. That the charges established by this resolution are for the purpose of paying the cost of constructing, maintaining and operating facilities to import water into Valley Water, paying the cost of purchasing imported water, paying the cost of constructing, maintaining and operating facilities for groundwater recharge, surface distribution, and the purification and treatment of water, and paying the principal and interest of any bonded indebtedness or other financial obligations of Valley Water incurred for those purposes;

6. The record owners of water producing facilities were given the opportunity to file a written protest objecting to the proposed raw surface water charge increase;

7. That this Board considered all protests objecting to the proposed raw surface water charge increases for Zones W-2 and W-5, respectively, and after the close of the hearing determined that written protests were not received from more than 50 percent of the record owners of surface water facilities in either Zone W2 or Zone W5; and

8. That the California Environmental Quality Act does not apply to approval of these charges pursuant to statutory exemption California Code of Regulations Title 14, Chapter 3, Section 15273, because, as identified in Valley Water's annual report on the

protection and augmentation of the water supplies of Valley Water, the charges are expressly made for the purpose of:

a. Meeting operating expenses, including employee wage rates and fringe benefits,

b. Purchasing or leasing supplies, equipment or materials,

c. Meeting financial reserve needs, and

d. Obtaining funds for capital projects necessary to maintain service within existing service areas.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District that, subject to the provisions of a minimum charge as set forth in Item 5 below, the charges to be applied in fiscal year 2019–2020 (July 1, 2019–June 30, 2020) for surface-delivered water of Valley Water, for Valley Water watermaster service and, where applicable for capital cost repayment, and the area within which such charges shall be applied will be as follows:

1. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-2 is:

Water Other Than Agricultural	Agricultural Water
$1,374.00	$28.86

2. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-5 is:

Water Other Than Agricultural	Agricultural Water
$481.00	$28.86

3. The charge for watermaster service throughout Valley Water whether such service is for agricultural water or for water other than agricultural water shall be $37.50 per acre-foot;

4. The minimum charge for water other than agricultural water in Zone W-2 shall be $1,030.50 per fiscal year or part thereof, and in Zone W-5 shall be $360.75 per fiscal year or part thereof;

5. The minimum charge for agricultural water in Zone W-2 shall be $21.65 per fiscal year or part thereof, and in Zone W-5 shall be $21.65 per fiscal year or part thereof; and

6. Charges (including minimum charges) per acre-foot for surface water delivered to users in Valley Water outside of either Zone W-2 or Zone W-5 shall be the same as those imposed within the zone to which the user's turnout is most nearly located.

Determining Surface Water, Treated Water, and South County Recycled Water Charges for Fiscal Year 2019–2020

Resolution No. 19- 37

BE IT FURTHER RESOLVED that upon due review of anticipated costs and revenues of Valley Water, the following rate schedule in dollars per acre-foot for the delivery of treated water is hereby established as the Contract Treated Water Charge, which is comprised of the Basic User Charge and the Treated Water Surcharge for the 2019–2020 fiscal year (July 1, 2019–June 30, 2020):

Charge	Amount
Basic User Charge	$1,374.00
Treated Water Surcharge	100.00
Contract Treated Water Charge	$1,474.00

BE IT FURTHER RESOLVED that the price to be charged per acre-foot for recycled water from the South County Regional Wastewater Authority Facility at Gilroy shall be the following for the 2019–2020 fiscal year (July 1, 2019–June 30, 2020):

Water Other Than Agricultural	Agricultural Water
$461.00	$56.26

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 14, 2019.

AYES: Directors T. Estremera, N. Hsueh, B. Keegan, G. Kremen, R. Santos, J. Varela, L. LeZotte

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: _____
LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

_____
Clerk, Board of Directors

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 19- 38

APPROVING AND ADOPTING THE OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2019–2020

WHEREAS, on April 24, 2019, the Board of Directors of the Santa Clara Valley Water District (Valley Water) held its annual budget work study sessions to review and consider the Proposed Operating and Capital Budget (Budget) for Fiscal Year (FY) 2019–20; and

WHEREAS, such budget work study sessions were open to the general public to appear and be heard regarding any item of the proposed budget or for the inclusion of additional items; and

WHEREAS, Section 20 of the District Act requires that after conclusion of the public meeting(s) to hear general public comments on the proposed budget, the Board shall by resolution adopt the budget as finally determined including any revisions that the Board determines advisable during or after the meeting(s) and not later than June 30 of each year; and

WHEREAS, the Budget for FY 2019–20 was developed in accordance with the Board's Executive Limitations EL-4 that the Valley Water's financial planning for any fiscal year shall be aligned with the Board's Ends, not risk fiscal jeopardy, and be derived from a multi-year plan; and

WHEREAS, the Board was provided a comprehensive overview of the budget development process and assumptions, Valley Water-wide financial review and a presentation of fund and business area financial allocations in the Proposed Budget for FY 2019–20; and

WHEREAS, the Board of Directors has previously created the following Special Purpose Funds (as such term is defined in Resolution 16-10, adopted on February 23, 2016): San Felipe Emergency Reserve, Silicon Valley Advanced Water Purification Center Reserve, Supplemental Water Supply Reserve, Drought Reserve, and P3 Reserve; and

WHEREAS, the Board was provided assurance that the Proposed Budget for FY 2019–20 meets Board priorities, realizes efficiencies and cost savings, demonstrates fiscal accountability and value to customers, is balanced and helps ensure future financial sustainability.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of Valley Water that the Budget for FY 2019–20, plus any changes or modifications made at the time of adoption, and including the terms of this Resolution, is hereby approved and adopted; and

BE IT FURTHER RESOLVED that the total appropriations approved by the Board of Directors, which include all operating and capital outlays, debt service payments and interfund transfers, and budgeted reserves, are limited within each fund as follows (plus any changes or modifications made at the time of adoption):

Approving and Adopting the Operating and Capital Budget for Fiscal Year 2019–2020
Resolution No. 19-38

FY 2019-20 Operating, Capital, and Interfund Transfer Budget

1.	District General Fund (11)	$ 62,016,126
2.	Watershed and Stream Stewardship Fund (12)	$ 108,262,990
3.	Lower Peninsula Watershed Fund (21)	$ 2,704,524
4.	West Valley Watershed Fund (22)	$ 2,254,819
5.	Guadalupe Watershed (23)	$ 4,552,774
6.	Coyote Watershed Fund (24)	$ 3,932,561
7.	Safe, Clean Water and Natural Flood Protection Fund (26)	$ 54,378,770
8.	Water Enterprise Fund (61)	$ 339,615,809
9.	State Water Project Fund (63)	$ 25,067,582
10.	Fleet Management Fund (71)	$ 6,969,872
11.	Risk Insurance Fund (72)	$ 5,760,064
12.	Information Technology Fund (73)	$ 21,169,921

FY 2019-20 Reserves Budget

1.	District General Fund (11)	$ 4,318,026
2.	Watershed and Stream Stewardship Fund (12)	$ 82,195,113
3.	Safe, Clean Water and Natural Flood Protection Fund (26)	$ 116,072,986
4.	Water Enterprise Fund (61)	$ 117,979,874
5.	State Water Project Fund (63)	$ 4,815,690
6.	Fleet Management Fund (71)	$ 1,105,855
7.	Risk Insurance Fund (72)	$ 13,147,912
8.	Information Technology Fund (73)	$ 3,246,270

BE IT FURTHER RESOLVED, that:

1. Any subsequent changes to the Adopted Valley Water FY 2019–20 Operating, Capital and Interfund Transfer Budget shall occur as follows:

   (a) By Valley Water Board of Directors action for all budget adjustments that either increase or decrease a fund's total operating, capital, or interfund transfer budget or reserve appropriations.

   (b) By Valley Water Board of Directors action for all budget adjustments between capital projects within a fund that exceed $100,000 per project within the fiscal year.

   (c) Delegation of authority is hereby conferred to the Chief Executive Officer (CEO), or his/her designee to approve budget transfers from the Supplemental Water Supply Reserve for amounts not to exceed 20% of the annual imported water purchases budget. The CEO shall inform the Board of any such budget transfers on a timely basis.

   (d) By the Chief Executive Officer (CEO), or his/her designee, for all other changes.

2. With the exception of those capital projects that have been closed or those related to capital program management and administrative services, any unexpended or unencumbered appropriation balances remaining at the end of FY 2018–19 for capital projects are hereby reappropriated to FY 2019–20 for continued use in those same projects, up to $100,000 above the planned expenditure amounts for each project identified in the draft Five-Year CIP for FY 2019–20. The portion of the balances that are not reappropriated to FY 2019–20 will remain as designated reserves for Current

Approving and Adopting the Operating and Capital Budget for Fiscal Year 2019–2020
Resolution No. 19-38

Authorized Projects to be reappropriated in future years in accordance with the Five-Year CIP expenditure schedule.

3. Any variances at the end of FY 2019–20 in Committed Reserves, Restricted Reserves and Other Reserves from those estimated in this FY 2019–20 Budget not otherwise reappropriated above shall result in corresponding adjustments to the FY 2019–20 estimated reserve appropriations in accordance with the Valley Water Reserve Policy. These adjustments shall be made in the following order:

   (a) First, to restore Restricted Reserves.
   (b) Second, to restore Risk Fund Committed Reserves.
   (c) Third, to restore other Committed Reserves excluding Operating and Capital Reserves.
   (d) Fourth, to restore Operating and Capital Reserves.

4. If at the commencement of FY 2019–20, the appropriations applicable to that year have not been finally determined and adopted by the Board of Directors in accordance with the District Act, Valley Water shall proceed in accordance with the following authorizations:

   (a) Except as otherwise provided in Section 4(b), the amounts set forth in the proposed budget for operating outlays, including existing debt service requirements, and capital outlays and the purposes therein specified, except funding for fixed assets, and residual equity transfers, are deemed appropriated until the final adoption of the budget by the Board of Directors.

   (b) Funding for fixed assets and residual equity transfers are deemed appropriated until the adoption for the final budget if specifically approved by the Board of Directors.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 14, 2019:

AYES: Directors T. Estremera, R. Santos, N. Hsueh, B. Keegan, G. Kremen, J. Varela, L. LeZotte

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: _____
LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

_____
Clerk, Board of Directors

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 19-39

PROVIDING FOR A LEVY OF AD VALOREM REAL PROPERTY TAXES IN FISCAL YEAR 2019–2020 TO MEET THE COST OF ITS WATER SUPPLY CONTRACT WITH THE STATE OF CALIFORNIA

WHEREAS, the Santa Clara Valley Water District (Valley Water) incurs an annual indebtedness to the State of California (State) pursuant to its Water Supply Contract With The State Of California dated November 20, 1961 (State Water Supply Contract), and such indebtedness was approved by the voters prior to July 1, 1978 within the meaning of Article XIIIA of the California Constitution; and

WHEREAS, Valley Water anticipates that its contractual indebtedness to the State under the State Water Supply Contract during the fiscal year beginning July 1, 2019 and ending June 30, 2020 (Fiscal Year 2019–20), will be at least $18.0 million; and

WHEREAS, Section 11652 of the California Water Code requires the Valley Water Board of Directors (Board) to levy a tax sufficient to assure payment of sums due under Valley Water's Water Supply Contract; and

WHEREAS, Section 1(b) of Article XIIIA of the California Constitution exempts ad valorem property tax levies to make payments upon indebtedness approved by the voters prior to July 1, 1978, from the limitation set forth in Section 1(a) of Article XIIIA; and

WHEREAS, Valley Water's indebtedness from its Water Supply Contract falls within such exemption; and

WHEREAS, the District's Water Supply Contract is protected against impairment under the provisions of Article I, Section 10 of the Constitution of the United States and Article I, Section 9 of the California Constitution prohibiting the impairment of the obligation of contracts; and

WHEREAS, the Board, after reviewing and considering all the facts, information and reports provided by Valley Water staff, and information communicated to the Board during public meetings in which Valley Water's Fiscal Year 2019–20 budget and proposed increase of rates and charges were considered, has determined that it is necessary to raise the amounts hereinafter specified as an ad valorem real property tax, and that it is not practicable to raise said sums from water rates or other sources; and

WHEREAS, said ad valorem real property tax is consistent with Valley Water's past practice and is consistent with (Goodman v. County of Riverside (1983) 140 C.A. 3d quo), the approach of other water districts and agencies that maintain water supply contracts with the State.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

1. That said Board has determined that the amounts necessary to be raised by taxation during Valley Water's Fiscal Year 2019-20 to pay indebtedness approved by the voters prior to July 1, 1978, and/or for which a tax levy is required under Article I, Section 10 of

Providing for a Levy of Ad Valorem Real Property Taxes in District Fiscal Year 2019–20 to Meet the Cost of its Water Supply Contract With the State of California

Resolution 19-39

the United States Constitution and Article I, Section 9 of the California Constitution is $18.0 million for payments on Valley Water's State Water Supply Contract dated November 20, 1961.

2. That consistent with the requirements of law and specifically within the limitations imposed by Article XIIIA of the Constitution of the State of California there shall be levied in Fiscal Year 2019–20 an ad valorem real property tax within Valley Water, sufficient to raise the sum of $18.0 million to meet that portion of Valley Water's Water Supply Contract obligation which may be lawfully so raised.

3. That the funds received by Valley Water pursuant to the aforementioned ad valorem tax levy shall be placed in a separate fund identified for the indebtedness set forth above.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 14, 2019:

AYES:	Directors	T. Estremera, R. Santos, N. Hsueh, B. Keegan, G. Kremen, J. Varela, L. LeZotte
NOES:	Directors	None
ABSENT:	Directors	None
ABSTAIN:	Directors	None

SANTA CLARA VALLEY WATER DISTRICT

By: _____
LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

_____
Clerk, Board of Directors

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 19-40

DELEGATING AUTHORITY TO DEPOSIT AND INVEST FUNDS TO THE TREASURER OR HIS OR HER DESIGNEE

WHEREAS, the Board of Directors (Board) of the Santa Clara Valley Water District (District), in accordance with Executive Limitation 4.9, believes that public funds should be prudently invested or deposited consistent with applicable laws and the policies of the Board to produce revenue for the District; and

WHEREAS, from time to time, there are District funds available for the purpose of investment or deposit; and

WHEREAS, the Board of this District has, pursuant to the provisions of California Government Code Sections 53607 and 53608, determined to delegate to the Treasurer/Chief Financial Officer (CFO), designated by the Chief Executive Officer (CEO), authority to invest or deposit such funds in accordance with the provisions of the Government Code; and

WHEREAS, it will be more convenient in the handling of said bonds or other securities so purchased that they be kept in safekeeping by said banks while they are the property of this District.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District that the Treasurer/Chief Financial Officer, designated by the CEO, pursuant to California Government Code Sections 53607 and 53608, is hereby authorized to invest, deposit, or deposit for safekeeping, as far as possible, all money belonging to, or in the custody of, the District pursuant to the Title 5, Division 2, Part 1, Chapter 4, Articles 1 and 2 of the Government Code, as amended from time to time and as directed by the policies of the Board.

BE IT FURTHER RESOLVED that the Treasurer and his or her designee (the Treasury and Debt Officer) be and are hereby authorized to invest in permissible investments, or to deposit in interest-bearing accounts with authorized financial institutions, funds in a sinking fund or funds of this District from any of the various accounts of this District when such funds will not be needed for the immediate necessities of the District.

BE IT FURTHER RESOLVED that the resolution shall be effective for fiscal year 2019-20, and shall be reconsidered by the Board at a public meeting annually.

Delegating Authority to Deposit and Invest Funds to the Treasurer or His or Her Designee
Resolution No. 19-40

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 14, 2019:

AYES:	Directors	R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen, J. Varela, L. LeZotte
NOES:	Directors	None
ABSENT:	Directors	None
ABSTAIN:	Directors	None

SANTA CLARA VALLEY WATER DISTRICT

By: _____
LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

_____
Clerk, Board of Directors

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 19-44

AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE AND A TAXABLE TAX AND REVENUE ANTICIPATION NOTE TO SUPPORT A COMMERCIAL PAPER PROGRAM IN A COMBINED AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $150 MILLION

WHEREAS, the Board of Directors of the Santa Clara Valley Water District ("Valley Water"), a flood control and water district duly organized and existing under and pursuant to the Constitution and laws of the State of California ("State"), has previously undertaken a commercial paper program; and

WHEREAS, in order to continue the commercial paper program, Valley Water has determined to issue in fiscal year 2019-2020 tax-exempt tax and revenue anticipation notes ("Tax-Exempt Notes") and taxable tax and revenue anticipation notes (the "Taxable Notes," and together with the Tax-Exempt Notes, the "Notes") in a combined aggregate principal amount not to exceed $365,000,000 pursuant to Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5, of the California Government Code on the terms set forth herein.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District:

SECTION 1. DEFINITIONS

Unless the context otherwise requires, the terms defined in this Section have the meanings herein specified.

"Authorizing Law" means Article 7.6, Chapter 4, Part 1, Division 2, Title 5, of the California Government Code.

"Bonds" means all revenue bonds or notes of Valley Water authorized, executed, issued and delivered by Valley Water, which are secured by a pledge of and lien on the Water Utility System Revenues in accordance with Section 2.1 and are payable from Net Water Utility System Revenues in accordance with Section 2.2(d) of the Master Resolution.

"Chief Executive Officer" means the duly-appointed Chief Executive Officer or any duly appointed Interim Chief Executive Officer of Valley Water.

"Chief Financial Officer" means the duly-appointed Chief Financial Officer or any duly appointed Interim Chief Financial Officer of Valley Water.

"Code" means the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder.

"Contract" means all installment purchase agreements or other contracts of Valley Water authorized and executed by Valley Water, which are secured by a pledge and lien on the Water Utility System Revenues in accordance with Section 2.1 and are payable from Net Water Utility System Revenues in accordance with Section 2.2(d) of the Master Resolution.

"Master Resolution" means the Water Utility Parity System Master Resolution No. 16-10 adopted by the Board of Directors of Valley Water on February 23, 2016.

"Net Water Utility System Revenues" has the meaning set forth in the Master Resolution.

"Notes" means the Tax-Exempt Notes and the Taxable Notes.

"Regulations" means the income tax regulations promulgated or proposed by the Department of the Treasury pursuant to the Code from time to time, including temporary regulations, to the extent applicable.

"Tax-Exempt Notes" means the Santa Clara Valley Water District 2019-2020 Tax-Exempt Tax and Revenue Anticipation Notes to be issued hereunder.

"Taxable Notes" means the Santa Clara Valley Water District 2019-2020 Taxable Tax and Revenue Anticipation Notes to be issued hereunder.

"Valley Water" means the Santa Clara Valley Water District.

SECTION 2. ISSUANCE OF THE NOTES; AMOUNT; TERMS; INTEREST RATE; PLACE OF PAYMENT; USE OF PROCEEDS

Pursuant to the Authorizing Law, the Tax-Exempt Notes and the Taxable Notes shall be issued in a combined aggregate principal amount not to exceed $365,000,000, which when added to the interest payable thereon, will not exceed 85 percent of the estimated amount of the then uncollected taxes, income, revenue, cash receipts, and other moneys of Valley Water which will be available for the payment therefor. A certificate of the Chief Executive Officer or Chief Financial Officer certifying to such effect, in the form attached hereto as "Exhibit B," shall be completed on or prior and as a condition to, the delivery of the Notes. The Tax-Exempt Notes shall be designated "Santa Clara Valley Water District 2019-2020 Tax-Exempt Tax and Revenue Anticipation Notes" and the Taxable Notes shall be designated "Santa Clara Valley Water District 2019-2020 Taxable Tax and Revenue Anticipation Notes." The Notes shall be dated the date of issuance thereof. The Notes shall be payable at the office of Valley Water at such times and in such amounts as set forth in the respective Notes. The Notes shall mature and be payable no later than October 1, 2020. The Notes shall bear a rate of interest which shall be determined on the date of issuance of the commercial paper notes or other short-term obligations to which such Notes are pledged and shall be a rate which when multiplied by the principal amount of such Notes outstanding on such day will be equal to the interest accruing

with respect to the commercial paper or other short-term obligations to which such Notes are pledged outstanding on such date and shall be payable in accordance with the terms thereof. Each Note shall be prepayable in whole or in part on any day on which the commercial paper or other short-term obligations to which such Note is pledged is due and payable in the event that Valley Water declines to cause additional commercial paper or other short-term obligations to be sold to repay such maturing commercial paper or other short-term obligations.

The proceeds of the Notes will be used for any Valley Water purpose including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of Valley Water.

SECTION 3. EXECUTION OF THE NOTES

The Chief Executive Officer and Chief Financial Officer are hereby authorized and directed to sign the Notes, by such officer's manual, printed, lithographed or facsimile signatures.

SECTION 4. FORM OF THE NOTES

The Notes shall be issued in substantially the form set forth in "Exhibit A" attached hereto and incorporated herein and may be issued in typewritten form.

SECTION 5. PAYABLE FROM NET WATER UTILITY SYSTEM REVENUES

The obligation of Valley Water to make payments of principal of and interest on the Notes is a general obligation of Valley Water. Valley Water hereby pledges Net Water Utility System Revenues of Valley Water on a subordinate basis to all payment of Bonds and Contracts of Valley Water to additionally secure the payment of the principal of and interest on the Notes, all in accordance with the Master Resolution. The Notes do not constitute a debt of Valley Water or the State or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

SECTION 6. CERTIFIED COPIES

The Valley Water Clerk of the Board shall provide a certified copy of this document to the Chief Executive Officer who shall take such action as shall be necessary to assure compliance by Valley Water with the terms and conditions hereof.

SECTION 7. EFFECTIVE DATE

This resolution shall take effect immediately.

Authorizing the Execution and Delivery of a Tax-Exempt Tax and Revenue Anticipation Note and a Taxable Tax and Revenue Anticipation Note to Support a Commercial Paper Program in a Combined Aggregate Principal Amount Not to Exceed $150 Million

Resolution No. 19-44

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 14, 2019:

AYES:	Directors	R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen, J. Varela, L. LeZotte
NOES:	Directors	None
ABSENT:	Directors	None
ABSTAIN:	Directors	None

SANTA CLARA VALLEY WATER DISTRICT

By: _____
LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

_____
Clerk, Board of Directors

CLERK'S CERTIFICATE

STATE OF CALIFORNIA)
) SS
COUNTY OF SANTA CLARA)

I, Michele L. King, Clerk of the Board of Directors of Santa Clara Valley Water District ("Valley Water"), Santa Clara County, California, hereby certify as follows:

The foregoing is a full, true, and correct copy of a resolution duly adopted at a regular Valley Water Board of Directors meeting, duly and regularly and legally held at the regular meeting place thereof on May 14, 2019, of which meeting all of the members of said Board of Directors had due notice and at which a majority thereof were present.

At said meeting said resolution was adopted by the following vote:

AYES:	Directors	R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen, J. Varela, L. LeZotte
NOES:	Directors	None
ABSENT:	Directors	None
ABSTAIN:	Directors	None

I have carefully compared the same with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true, and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified, or rescinded since the date of its adoption, and same is now in full force and effect.

Dated: May 14, 2019

SANTA CLARA VALLEY WATER DISTRICT

By: Michele L. King
MICHELE L. KING, CMC
Clerk, Board of Directors

(Seal)

EXHIBIT A

SANTA CLARA VALLEY WATER DISTRICT
2019–2020 TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE

FOR VALUE RECEIVED, the Santa Clara Valley Water District ("Valley Water") acknowledges itself indebted to and promises to pay to Santa Clara Valley Water District Public Facilities Financing Corporation ("Corporation") $175,000,000 in lawful money of the United States of America, on October 1, 2020, together with interest thereon at the offices of Valley Water in like lawful money from the date hereof until payment in full of said principal sum. Interest on this Note shall be determined on a daily basis and shall be a rate which when multiplied by the principal amount of this Note outstanding on such day will be equal to the interest accruing with respect to the commercial paper or other short-term obligations to which the Note is pledged outstanding on such day. Interest on this Note shall be payable on any date on which interest is payable with respect to the commercial paper or other short-term obligations to which this Note is pledged. This Note shall be prepayable in whole or in part on any day on which the Corporation notifies Valley Water that the principal with respect to the commercial paper or other short-term obligations to which this Note is pledged is due and payable in the event that Valley Water declines to cause additional commercial paper or other short-term obligations to be sold to repay such maturing commercial paper or other short-term obligations.

The proceeds of this Note will be used for any Valley Water purpose including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of Valley Water.

It is hereby certified, recited and declared that this Note is issued by authority of Article 7.6, Chapter 4, Part 1, Division 2, Title 5, of the California Government Code, and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of Valley Water, does not exceed any limit prescribed by the Constitution or laws of the State.

This Note shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by Valley Water for fiscal year 2019-2020 and which are lawfully available for the payment of current expenses and other obligations of Valley Water. The obligation of Valley Water to make payments of principal of and interest on this Note is a general obligation of Valley Water and is additionally payable from Net Water Utility System Revenues, on a subordinate basis to all payment of Bonds and Contracts (as such terms are defined in the Resolution adopted by the Board of Directors of Valley Water on May 14, 2019 authorizing the issuance of this Note). This Note does not constitute a debt of Valley Water or of the State or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

IN WITNESS WHEREOF, the Santa Clara Valley Water District has caused this Note to be executed by the manual or facsimile signature of its Chief Executive Officer or Chief Financial Officer and the General Counsel or the General Counsel's designee, all as of July 1, 2019.

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Norma J. Camacho
Chief Executive Officer

APPROVED AS TO FORM:

By: _____
Stanly T. Yamamoto
District Counsel

SANTA CLARA VALLEY WATER DISTRICT
2019–2020 TAXABLE TAX AND REVENUE ANTICIPATION NOTE

FOR VALUE RECEIVED, the Santa Clara Valley Water District ("Valley Water") acknowledges itself indebted to and promises to pay to Santa Clara Valley Water District Public Facilities Financing Corporation ("Corporation") $190,000,000 in lawful money of the United States of America, on October 1, 2020, together with interest thereon at the offices of Valley Water in like lawful money from the date hereof until payment in full of said principal sum. Interest on this Note shall be determined on a daily basis and shall be a rate which when multiplied by the principal amount of this Note outstanding on such day will be equal to the interest accruing with respect to the commercial paper or other short-term obligations to which this Note is pledged outstanding on such day. Interest on this Note shall be payable on any date on which interest is payable with respect to the commercial paper or other short-term obligations to which this Note is pledged. This Note shall be prepayable in whole or in part on any day on which the Corporation notifies Valley Water that the principal with respect to the commercial paper or other short-term obligations to which this Note is pledged is due and payable in the event that Valley Water declines to cause additional commercial paper or other short-term obligations to be sold to repay such maturing commercial paper or other short-term obligations.

The proceeds of this Note will be used for any Valley Water purpose including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of Valley Water.

It is hereby certified, recited and declared that this Note is issued by authority of Article 7.6, Chapter 4, Part 1, Division 2, Title 5, of the California Government Code, and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of Valley Water, does not exceed any limit prescribed by the Constitution or laws of the State.

This Note shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by Valley Water for fiscal year 2019-2020 and which are lawfully available for the payment of current expenses and other obligations of Valley Water. The obligation of Valley Water to make payments of principal of and interest on this Note is a general obligation of Valley Water and is additionally payable from Net Water Utility System Revenues, on a subordinate basis to all payment of Bonds and Contracts (as such terms are defined in the Resolution adopted by the Board of Directors of Valley Water on May 14, 2019 authorizing the issuance of this Note). This Note does not constitute a debt of Valley Water or of the State or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

IN WITNESS WHEREOF, the Santa Clara Valley Water District has caused this Note to be executed by the manual or facsimile signature of its Chief Executive Officer or Chief Financial Officer, and the General Counsel or the General Counsel's designee, all as of July 1, 2019.

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Norma J. Camacho
Chief Executive Officer

APPROVED AS TO FORM:

By: _____
Stanly T. Yamamoto
District Counsel

EXHIBIT B

$365,000,000
SANTA CLARA VALLEY WATER DISTRICT
2019–2020 TAX AND REVENUE ANTICIPATION NOTES
CALCULATION OF 85 PERCENT AMOUNT

Pursuant to the Authorizing Law, the Tax-Exempt Notes and the Taxable Notes shall be issued in a combined aggregate principal amount not to exceed $365,000,000, which when added to the interest payable thereon, will not exceed 85 percent of the estimated amount of the then uncollected taxes, income, revenue, cash receipts, and other moneys of the Santa Clara Valley Water District ("Valley Water"), as determined by the following calculation:

FY 2019–20 Valley Water-wide Estimated Uncollected Taxes, Income, Revenue, Cash Receipts and Other Money[1] (A)	$501,844,331
FY 2019–20 Tax and Revenue Anticipation Notes:	
Principal Amount of the Notes[2]	365,000,000
Interest on the Notes[3]	55,845,000
Total (B)	420,845,000
Percentage (B)/(A)	83.86%

Dated: July 1, 2019

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Darin Taylor
Chief Financial Officer

[1] *Source: FY 2019-20 Preliminary Budget*
[2] *Up to $175 million in Tax-Exempt Notes and $190 million of Taxable Notes may be issued to support a Commercial Paper Program with a capacity to issue Commercial Paper certificates in a combined aggregate principal amount not to exceed $150 Million*

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 19-45

INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS FOR WATER UTILITY ENTERPRISE

WHEREAS, the Santa Clara Valley Water District ("Valley Water") is a flood control and water district duly organized and existing under and pursuant to the Constitution and laws of the State of California; and

WHEREAS, the Board of Directors of Valley Water intends to finance the costs of acquiring certain public facilities and improvements, as provided in Exhibit A attached hereto and incorporated herein (collectively, "Project"); and

WHEREAS, Valley Water expects to finance the acquisition of the Project or portions of the Project with the proceeds of the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes ("Obligations"); and

WHEREAS, prior to the execution and delivery of the Obligations, Valley Water desires to incur certain expenditures with respect to the Project from available monies of Valley Water, which expenditures are desired to be reimbursed by Valley Water from a portion of the proceeds of the sale of the Obligations.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District does hereby finds, determines, declares, and resolves as follows:

1. Valley Water hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the execution and delivery of the Obligations with proceeds of the Obligations. Exhibit A describes either the general character, type, purpose, and function of the Project, or the fund or account from which Project costs are to be paid and the general functional purpose of the fund or account.

2. The reasonably expected maximum principal amount of the Obligations is $152,808,184.

3. This resolution is being adopted on or prior to the date ("Expenditure Date or Dates") that Valley Water will expend monies for the portion of the Project costs to be reimbursed from proceeds of the Obligations.

4. Except as described below, the expected date of execution and delivery of the Obligations will be within eighteen months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, however, that the reimbursement may not be made more than three years after the original expenditure is paid.

5. Proceeds of the Obligations to be used to reimburse Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of Valley Water) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of Valley Water or any entity related in any manner to Valley Water, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

Intention to Issue Tax-Exempt Obligations for Water Utility Enterprise
Resolution No. 19-45

6. This resolution is consistent with the budgetary and financial circumstances of Valley Water as of the date hereof. No monies from sources other than the Obligation issue are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by Valley Water (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this Board of Directors is not aware of the previous adoption of official intents by Valley Water that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

7. The limitations described in Section 3 and Section 4 of this Resolution do not apply to: (a) costs of issuance with respect to the Obligations; (b) an amount not in excess of the lesser of $100,000 or five percent (5%) of the proceeds of the Obligations; or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Project for which the preliminary expenditures were incurred.

8. This resolution is adopted as official action of Valley Water in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Valley Water expenditures incurred prior to the date of execution and delivery of the Obligations, is part of the Valley Water's official proceedings, and will be available for inspection by the general public at the main administrative office of Valley Water.

9. All the recitals in this Resolution are true and correct and this Board of Directors so finds, determines and represents.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 14, 2019:

AYES:	Directors	R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen, J. Varela, L. LeZotte
NOES:	Directors	None
ABSENT:	Directors	None
ABSTAIN:	Directors	None

SANTA CLARA VALLEY WATER DISTRICT

By: _____
LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

_____
Clerk, Board of Directors

CLERK'S CERTIFICATE

STATE OF CALIFORNIA)
) SS
COUNTY OF SANTA CLARA)

I, Michele L. King, Clerk of the Board of Directors of Santa Clara Valley Water District ("Valley Water"), Santa Clara County, California, hereby certify as follows:

The foregoing is a full, true, and correct copy of a resolution duly adopted at a regular Valley Water Board of Directors meeting, duly and regularly and legally held at the regular meeting place thereof on May 14, 2019, of which meeting all of the members of said Board of Directors had due notice and at which a majority thereof were present.

At said meeting said resolution was adopted by the following vote:

AYES:	Directors	R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen, J. Varela, L. LeZotte
NOES:	Directors	None
ABSENT:	Directors	None
ABSTAIN:	Directors	None

I have carefully compared the same with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true, and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified, or rescinded since the date of its adoption, and same is now in full force and effect.

Dated: May 14, 2019

SANTA CLARA VALLEY WATER DISTRICT

By: Michele L King
MICHELE L. KING, CMC
Clerk, Board of Directors

(Seal)

EXHIBIT A

DESCRIPTION OF PROJECT

Various capital improvements set forth in the Fiscal Year 2020-24 Capital Improvement Plan (the "CIP") for water supply infrastructure, including storage, transmission, treatment, and recycled water facilities, water resources stewardship, and Expedited Purified Water Program, as such CIP may be modified from time-to-time. The current CIP is incorporated herein by reference.

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 19-46

INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS FOR SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION PROGRAM

WHEREAS, the Board of Directors of the Santa Clara Valley Water District ("Issuer") desires to finance the costs of acquiring certain public facilities and improvements, as provided in Exhibit A attached hereto and incorporated herein ("Project"); and

WHEREAS, the Issuer intends to finance the acquisition of the Project or portions of the Project with the proceeds of the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes ("Obligations"); and

WHEREAS, prior to the issuance of the Obligations the Issuer desires to incur certain expenditures with respect to the Project from available monies of the Issuer which expenditures are desired to be reimbursed by the Issuer from a portion of the proceeds of the sale of the Obligations.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District:

Section 1. The Issuer hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the issuance of the Obligations with proceeds of the Obligations. Exhibit A describes either the general character, type, purpose, and function of the Project, or the fund or account from which Project costs are to be paid and the general functional purpose of the fund or account.

Section 2. The reasonably expected maximum principal amount of the Obligations is $69,969,068.

Section 3. This resolution is being adopted no later than 60 days subsequent to the first date (each day of expenditure referred to herein as the "Expenditures Date or Dates") that the Issuer will expend monies for the portion of the Project costs to be reimbursed from proceeds of the Obligations.

Section 4. Except as described below, the expected date of issue of the Obligations will be within eighteen months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, the reimbursement may not be made more than three years after the original expenditure is paid. For Obligations subject to the small issuer exception of Section 148(f)(4)(D) of the Internal Revenue Code, the "eighteen-month limit" of the previous sentence is changed to "three years" and the limitation of the previous sentence beginning with "; provided, ..." is not applicable.

Section 5. Proceeds of the Obligations to be used to reimburse Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of the Issuer) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the Issuer or any entity related in any manner to the Issuer, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

Section 6. This resolution is consistent with the budgetary and financial circumstances of the Issuer, as of the date hereof. No monies from sources other than the Obligation issue are, or

are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the Issuer (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this Board of Directors is not aware of the previous adoption of official intents by the Issuer that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

Section 7. The limitations described in Section 3 and Section 4 do not apply to (a) costs of issuance of the Obligations, (b) an amount not in excess of the lesser of $100,000 or five percent (5%) of the proceeds of the Obligations, or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Project for which the preliminary expenditures were incurred.

Section 8. This resolution is adopted as official action of the Issuer in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Issuer expenditures incurred prior to the date of issue of the Obligations, is part of the Issuer's official proceedings, and will be available for inspection by the general public at the main administrative office of the Issuer.

Section 9. All the recitals in this Resolution are true and correct and this Board of Directors so finds, determines and represents.

Section 10. This resolution shall take effect immediately.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 14, 2019:

AYES:	Directors	R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen, J. Varela, L. LeZotte
NOES:	Directors	None
ABSENT:	Directors	None
ABSTAIN:	Directors	None

SANTA CLARA VALLEY WATER DISTRICT

By: _____
LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

_____
Clerk, Board of Directors

CLERK'S CERTIFICATE

STATE OF CALIFORNIA)
) SS
COUNTY OF SANTA CLARA)

I, Michele L. King, Clerk of the Board of Directors of Santa Clara Valley Water District ("Valley Water"), Santa Clara County, California, hereby certify as follows:

The foregoing is a full, true, and correct copy of a resolution duly adopted at a regular Valley Water Board of Directors meeting. duly and regularly and legally held at the regular meeting place thereof on May 14, 2019, of which meeting all of the members of said Board of Directors had due notice and at which a majority thereof were present.

At said meeting said resolution was adopted by the following vote:

AYES:	Directors	R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen, J. Varela, L. LeZotte
NOES:	Directors	None
ABSENT:	Directors	None
ABSTAIN:	Directors	None

I have carefully compared the same with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true, and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified, or rescinded since the date of its adoption, and same is now in full force and effect.

Dated: May 14, 2019

SANTA CLARA VALLEY WATER DISTRICT

By: Michele L. King
MICHELE L. KING, CMC
Clerk, Board of Directors

(Seal)

EXHIBIT A

DESCRIPTION OF PROJECT

Various Safe, Clean Water and Natural Flood Protection capital improvements set forth in the Fiscal Year 2020-24 Capital Improvement Plan (the "CIP"), as such CIP may be modified from time-to-time. The current CIP is incorporated herein by reference.

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 19- 53

ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2019-20

WHEREAS, Article XIII B of the California Constitution and Government Code Sections 7901-7914 provide that the State and each local agency shall be subject to an annual Appropriations Limit as defined therein; and

WHEREAS, Article XIII B Section 8(e)(2) requires each local government entity to select its methodology annually by a recorded vote of the governing body; and

WHEREAS, Valley Water has selected the percentage change in California per capita personal income as the factor to be used in the calculation of the Appropriations Limit; and

WHEREAS, Valley Water has prepared the applicable documentation as intended by Article XIII B of the California Constitution, and such documents pursuant to Government Code Section 7910(a) were made available fifteen (15) days prior to adoption for public review in the Office of the Clerk of the Board during regular business hours.

NOW, THEREFORE BE IT RESOLVED that the Appropriations Limit for Fiscal Year 2019-20 is hereby established at $160,192,290 by applying the percentage change in California per capita personal income of 3.85 percent and, the Santa Clara County population percentage change over prior year of 0.33 percent as shown on Exhibit A. This limit may be adjusted at a later date in accordance with Sections 3 and 11 of Article XIII B of the California Constitution.

BE IT FURTHER RESOLVED that any judicial action or proceeding to attack, review, set aside, void, or annul the Fiscal Year 2019-20 Appropriations Limit established by this resolution shall be commenced within forty-five (45) days from the date of this resolution in accordance with Section 7910(b) of the Government Code.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on June 11, 2019:

AYES: Directors J. Varela, R. Santos, T. Estremera, N. Hsueh, B. Keegan, L. LeZotte
NOES: Directors None

ABSENT: Directors G. Kremen

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors

EXHIBIT A

Santa Clara Valley
Water District
Fiscal Year 2019-20
Appropriations Limit on the Proceeds of Taxes *

	FY 2018-19 Appropriations Limit	Ratio of Change	FY 2019-20** Appropriations Limit	FY 2019-20 Budgeted Proceeds of Taxes	Amount Under/(Over) Limit
Watershed & Stream Stewardship	**$153,750,158**	**1.0419**	**$160,192,290**	**$33,176,300**	**$127,015,990**

Article XIII B of the California Constitution specifies that local jurisdictions may select either the percentage change in California per capita personal Income or the percentage change in the local assessment roll due to the addition of local non-residential new construction. The percentage change in the California per capita personal income has been selected by Valley Water and is 3.85%.

The population percentage change minus exclusions as reported by the State Department of Finance and prepared pursuant to Government Code Section 7901 (b) is calculated for Santa Clara County for the period from January 1, 2018 to January 1, 2019 to be used in setting the Appropriations Limit for Fiscal Year 2019-20. That change is 0.33%.

Per Capita Personal Income:	3.85%	converted to a factor	= 1.0385
Population: (Santa Clara County)	0.33%	converted to a factor	= 1.0033
	Ratio of Change:	(1.0385 x 1.0033)	= 1.0419

*Other watershed funds, Lower Peninsula and West Valley, and the Water Enterprise Fund were exempt from the Appropriations Limit under Article XIII B because they did not meet the criteria.

**Commencing with the FY 2009-10 Adopted Budget, the discretionary 1% ad valorem property taxes and other revenues (excluding benefit assessment charges) for Guadalupe, Coyote, and Uvas/Llagas watershed funds have been consolidated, as one, into the Watershed and Stream Stewardship Fund.

This page left intentionally blank.



Appendices

FY 2019-20

Operating and Capital Budget

APPENDIX A - GLOSSARY

Appendix A - Glossary

Accrual Basis of Accounting

The basis of accounting under which revenues are recorded when earned and expenditures (or expenses) are recorded as soon as they result in liabilities for benefits received, notwithstanding that the receipt of cash or the payment of cash may take place, in whole or in part, in another accounting period.

Acre Feet (AF)

The volume of water required to cover 1 acre of land (43,560 square feet) to a depth of 1 foot.

Ad Valorem Tax

A tax based on value (e.g., a property tax).

Adjusted Budget

The prior year's Adopted Budget, plus adjustments approved by the Board and Chief Executive Officer (CEO) through publication date of the current year's Requested Budget. Does not include prior year balance carry forward for multi-year Capital Project budgets.

Adopted Budget

The Adopted Budget represents estimated revenues and appropriations for the next year that are adopted by the District's Board of Directors.

Agreements, Contractual

Contractual agreements made by the District with other governmental agencies for cost sharing or project cost reimbursement.

Allocated Project

Projects whose budget and actual charges are distributed between one or more projects. The projects may be in a single fund or they can be in multiple funds. Allocated projects are distributed based on formulas set during annual budget preparation. These formulas are not static and they can vary every fiscal year. Every attempt is made to maintain the percent distribution fixed within a given fiscal year.

Americans with Disabilities Act (ADA)

Americans with Disabilities Act, Public Law 336 of the 101st Congress, enacted July 26, 1990. The ADA prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities and transportation.

Appropriation

A legal authorization granted through the Santa Clara Valley Water District Act that allows the District to expend funds and incur obligations in accordance with the purpose of the Act. An appropriation could include all reserves, transfers, allocations, and supplemental appropriations, and is typically limited in amount and the time it may be expended.

Assessed Valuation

An official government value placed upon real estate or other property as a basis for levying taxes.

Asset

A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events. Examples of assets are cash, receivables, and equipment.

Balanced Budget

A budget is balanced when budgeted expenditures are equal to or less than the amount of budgeted revenues plus other available sources.

Beginning Balance

The beginning balance is comprised of residual funds brought forward from the previous fiscal year (ending balance).

Benefit Assessment

Determination of benefits derived from District activities within particular watersheds and the levying of a proportionate share of taxes to each parcel subject to voter-approved limitations.

Appendix A - Glossary

Benefits

District-funded employee health insurance, vision insurance, dental insurance, basic life insurance, medical insurance reimbursement, Medicare coverage, long-term disability, Workers' Compensation, unemployment insurance, and the PERS Retirement Program.

Bonds

A long-term debt source that provides borrowed monies that can be used to pay for specific capital facilities. Bonds are a written promise to pay a specified sum of money at a predetermined date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

Bond Proceeds

Funds derived from the sale of bonds for the purpose of constructing major capital facilities.

Bond Rating

A methodology used to measure the fiscal health of a borrowing entity. Generally, analyst firms such as Standard and Poor's, Moody's Investor Service, and Fitch Ratings provide bond ratings to governmental agencies. Bonds rated AAA/Aaa are judged to be the best quality and carry the smallest degree of risk, and together with AA/Aa bonds comprise high grade bonds. Ratings including "+" or "1" designate the strongest bonds in the rating category. Generally, highly rated bonds result in lower interest rates.

Budget

The planned use of expenditures and revenues over a given period of time

Budget Adjustment

A procedure to revise a budget appropriation, usually completed by either of two methods: (1)The Board of Directors approves the adjustment through the transfer of appropriations between funds, or through additional revenues or appropriations or (2) the CEO authorizes the adjustment of appropriations within a fund and within Operating Budget or within Capital Budget.

Budgetary Basis

This refers to the form of accounting utilized throughout the budget process. These generally take one of three forms: GAAP, Cash, Modified Accrual or some type of statutory form. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that (a) encumbrances are considered to be an expenditure chargeable to appropriations, (b) no depreciation is budgeted for in enterprise funds, (c) certain accruals (primarily accrued and sick leave pay) are excluded from the budgetary basis, (d) operating transfers are not budgeted. Unencumbered appropriations for Operations lapse at the close of the fiscal year. The basis of accounting used by the District Governmental Funds is Modified Accrual. The basis of accounting used by the District Enterprise Funds is Accrual.

Budget Document

The instrument used by the budget-making authority to present a comprehensive financial plan to the appropriating governing body.

Budgetary Control

The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

Appendix A - Glossary

Budget Process

The schedule of key dates or milestones which the District follows in the preparation, adoption, and administration of the budget.

Bureau Repayment Appropriation

The Bureau Repayment Appropriation is a provision for voluntary payment of costs to the Bureau of Reclamation, subject to negotiation, for a long-term contractual obligation in excess of current payments.

Budget Year

A consecutive 12-month period for recording financial transactions. The Santa Clara Valley Water District's budget and fiscal year is July 1 through June 30 of the following calendar year.

Capital Budget

The Capital Budget is comprised of all Capital Projects within a fund. See Capital Project.

Capital Expenditure

Capital expenditures generally create assets or extend the useful lives of existing assets, and can be made with regard to tangible and intangible assets. The work product results in a long-term benefit greater than 2 years and involves an expenditure of District resources greater than $50,000. The general categories of capital expenditures are: Rehabilitation, Major Repairs, Improvements/Betterments/Upgrades, Replacements, Expansions/Additions, and Ancillary Expenditures.

Capital Projects

Projects that are budgeted within the Capital Budget and fall within the definition of Capital Expenditures, meaning they (1) create or extend the lives of assets, (2) their work products have a useful life of greater than two years, and (3) they involve an expenditure of District resources in excess of $50,000.

Capital Improvement Program (CIP)

Capital projects are multi-year budgeted projects. Capital projects exceed $50,000 in cost, have long-term life spans and are generally non-recurring.

Carry-Forward

A portion or total of the unspent balance of an appropriation that is made available for expenditure in the succeeding fiscal year.

Certificates of Participation (COPs)

A form of lease revenue bond that permits the investor to participate in a stream of lease payments, installment payments or loan payments relating to the acquisition or construction of specific equipment, land or facilities.

CEQA

California Environmental Quality Act

CIP

See Capital Improvement Plan

Commercial Paper

Short term debt (1-270 days) issued primarily to fund capital expenditures.

Comprehensive Annual Financial Report (CAFR)

The official annual financial report of the District, prepared by the General Accounting Unit, and is usually referred to by its abbreviation, the report summarizes financial data for the previous fiscal year in a standardized format. The CAFR is organized by fund and contains two basic types of information: a balance sheet that compares assets with liabilities and fund balance; and an operating statement that compares revenues with expenditures.

Contingency Appropriation

A provision for unforeseen expenditures.

Appendix A - Glossary

Cost Center

Cost Centers are separate financial accounting centers in which costs are accumulated because of legal and accounting requirements. The first two digits of a project number identify the cost center.

CVP

Central Valley Project, the imported water supply infrastructure operated by the federal Bureau of Reclamation.

Debt Proceeds

The difference between the face amount of debt and the issuance discount or the sum of the face amount and the issuance premium.

Debt Service

Payment of interest and principal on long term debt.

District Act

The Santa Clara Valley Water District was created by an act of the California Legislature, and operates as a state of California Special District, with jurisdiction throughout Santa Clara County.

DWR

State Department of Water Resources

EIR

Environmental Impact Report

Encumbrances

Commitments related to unperformed (executory) contracts for goods or services. Encumbrances represent the estimated amount of expenditures that will result if unperformed contracts in process are completed.

Ends

Board established policies that describe the mission, outcomes, and results to be achieved by the District.

Enterprise Fund

A fund established to finance and account for the acquisition, operations, and maintenance of governmental facilities and services which are entirely or predominantly self-supporting by user charges; or where the governing body of the governmental unit has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate.

Executive Limitations (EL)

Constraints on the Board Appointed Officers, set by the Board, establishing the prudence and ethics boundaries within which all executive activity and decisions must take place.

Expenditure/Expense

Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlements, and shared revenues. The major expenditure categories used by the District are labor and overhead, services & supplies, land and structures, equipment, and debt service.

FAHCE

Fisheries and Aquatic Habitat Collaborative Effort

Fixed Assets

Long-lived tangible assets such as automobiles, computers and software, furniture, communications equipment, hydrologic equipment, office equipment, and other equipment with a value of $2,000 or more, or the combined value of like or related units (aggregate value) is greater than $5,000 if the unit value is less than $2,000.

Appendix A - Glossary

Fiscal Year

A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. The District's fiscal year is July 1 through June 30.

Full Time Equivalent (FTE)

The number of equivalent staff positions actually available, after adjusting for estimated vacancies. It is equal to the total labor hours divided by the standard annual labor hours of 2,080 for a full time employee.

Fund

A reserve of money set aside for some purpose; a fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance

The net effect of assets less liabilities at any given point in time.

Gann Limit (Proposition 4)

Under this article of the California Constitution, the District must compute an annual appropriations limit, which places a ceiling on the total amount of tax revenues the District can actually appropriate annually.

GASB

Governmental Accounting Standards Board

General Fund

A fund used to account for major operating revenues and expenditures, except for those financial transactions that are required to be accounted for in another fund. General Fund revenues are derived primarily from property and other taxes.

Generally Accepted Accounting Principles (GAAP)

Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

General Obligation Debt

Secured by the full faith and credit of the issuer. It is repaid with General Revenue and borrowings.

GFOA

Government Finance Officers Association

Government Finance Officers Association (GFOA) Distinguished Budget Award

Highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by the management, staff, and elected officials of recipients. Budgets are evaluated for effectiveness as a policy document, a financial plan, an operations guide, and as a communication device.

Grants

Contributions or gifts of cash or other assets from another government entity to be used or expended for a specified purpose, activity, or facility.

Groundwater

Water pumped from underground aquifers

HAZMAT

Hazardous Materials

Interfund Transfers

A transfer of funds for specific purposes as approved by the appropriate authority.

Intergovernmental Revenue

Funds received from federal, state and other local government sources in the form of grants, shared revenues, and reimbursements.

Appendix A - Glossary

International Organization for Standardization (ISO)

An international standard-setting body composed of representatives from various national standards organizations.

Interfund Transfers

A transfer of funds for specific purposes as approved by the appropriate authority.

Intra-District Reimbursement

To provide reimbursement to the District Fund for general costs incurred on behalf of other cost centers.

ISMP

Information Systems Master Plan, a District document which provides objectives, justification and plans for improving the District's use of information system and information technology infrastructure.

IWRP

Integrated Water Resources Plan. This long-term District water supply plan was first completed in 1977, and was updating 2003 (IWRP 2003). The goal of IWRP 2003 is to develop a balanced, flexible, long-term water supply plan that can provide a mix of water resources to meet the needs of Santa Clara County through the year 2040.

Levy

(1. Verb) To impose taxes, special assessments, or service charges for the support of government activities; (2. Noun) The total amount of taxes, special assessments, or service charges imposed by a governmental agency.

Long-Term Debt

Debt with a maturity of more than one year after the date of issuance.

MTBE

Methyl-Tert Butyl Ether, an oxygenate added to gasoline in California prior to 2004, which can contaminate groundwater.

Modified Accrual Basis of Accounting

Under the modified accrual basis of accounting, required for use by governmental funds, revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.

Operating Expenditure

Operating expenditures are system costs required for the daily process of providing water and watershed management services, including the administrative and overhead costs to support these services. Operating expenditures are costs necessary to maintain the systems in good operating condition. This includes the repair and replacement of minor property components. The American Waterworks Association (AWWA) says that these property components should be smaller than a retirement unit; a retirement unit is a readily separable and separately useful item that is part of a larger assembly. The benefit and life of such repairs should be less than 2 years. Any repairs that recur on an annual basis are considered operating activities of a maintenance nature. Operating expenditures are often separated into fixed and variable costs for purposes of understanding operating leverage and structuring service charge rates.

Appendix A - Glossary

Operations

Expenditures required for the daily process of providing water and watershed management services, including the administrative and overhead costs to support these services. Operations include work that is generally of an ongoing or recurring nature. Any District work that is not a project is, by definition, an Operation. Operations, although recurring, require close coordination and a high degree of management oversight, however, they can be accomplished without the application of the full range of tools and processes used for managing projects.

Operating Budget

The portion of the budget that pertains to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel, and fuel.

Operating Projects

Projects are budgeted within the Operating Budget and fall within the definition of Operating Expenditures. Although Operating Projects may, in some cases, create or extend the life of an asset and may have a useful life greater than two years, their costs may be under $50,000. District management may still decide to designate some Operating Projects as Capital Projects for purposes of giving the work visibility, control, and resources beyond a normal operating budget.

Other Post Employment Benefits (OPEB)

Large state and local governments were required to begin accounting for these obligations on December 15, 2006. OPEB obligations are primarily for retiree health care costs but also can include other benefits such as insurance. Currently the District pays a portion of the OPEB obligations out of current revenues on a pay-as you- go method. The annual cost of OPEB is what it costs to cover specific retirees in that year without regard to how this obligation might change as the number of retirees changes or the cost of providing the benefits changes in the future.

Outlays

See Expenditure/Expense.

Overhead

General Fund expenses that cannot be specifically associated with a given service, program, project or operational unit (i.e. accounting, information management, human resources, organizational development). Overhead expenses are allocated to programs and/or projects via an overhead rate that is calculated as a percentage of direct program/project salaries. The overhead rate provides a mechanism to reimburse the General Fund for costs incurred.

Overtime

Hours worked in excess of 40 hours per work week or hours worked in excess of those scheduled in a shift.

Perchlorate

Perchlorate is a salt used as an oxidizer for rocket fuel, highway flares, matches, air bag inflators and for other uses. Perchlorate can contaminate groundwater and surface water supplies.

Appendix A - Glossary

Projects

At the Santa Clara Valley Water District, a project is any undertaking which has (1) a beginning and an ending, (2) a one-time occurrence. Projects can require expenditure of capital or operating funds and, at the District, are called Capital or Operating Projects, accordingly. Projects usually, but not always, relate to a District facility or facilities (a creek, a reservoir, a dam, a water treatment plant, a pipeline, etc.). Projects may include studies, design, construction, maintenance, or implementation of systems such as Records Management or Financial Management Systems.

Property Tax

An "ad valorem" tax on real property, based upon the value of the property. In accordance with Proposition 13, secured property is taxed at the rate of 1% of assessed valuation, plus a rate sufficient to generate revenue necessary to pay for voter approved indebtedness.

Property Tax Assessment

The process of setting the official valuation of property for taxation; the valuation placed upon property as a result of this process.

Proposed Budget

The District CEO submits a Proposed Budget for the District's financial operations, including an estimate of proposed expenditures and revenues, to the Santa Clara Valley Water District's Board of Directors for approval. The Board Adopted Budget is submitted by the Chairman of the District's Board of Directors to the Santa Clara County Board of Supervisors.

Purchased Water

Water imported from other agencies to supplement local water supplies.

Recycled Water

Wastewater which has been treated for reuse; used for irrigation of crops, toilet flushing, industrial uses or landscaping, depending on its level of treatment.

Replacement Appropriation

Provides funds to meet future major repair costs to Water Enterprise facilities, which would cause interruption of water services (Water Enterprise Fund), and to replace existing equipment due to obsolescence (Equipment Fund).

Requested Budget

This summary budget outlines new programs, program changes, and identifiable goals and objectives.

Revenue

Monies the District receives in exchange for services or sales provided. Revenue items include water sales, property tax revenues, benefit assessment revenues, interest income, intergovernmental reimbursement.

Revenue Bonds

Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

Reserve

An account used to indicate that a portion of a fund's assets are legally restricted for a specific purpose and is, therefore, not available for general appropriation.

Resolution

A special or temporary order of a legislative body requiring less legal formality than an ordinance or statute.

Appendix A - Glossary

Rolling Biennial Budget

A rolling biennial budget is a two-year spending document, created and adopted through successive annual appropriations with any necessary budget amendments made in the second year. The objective of a rolling biennial budget is to stabilize operating expenditures from year to year to ensure that operating expenditures are within generally agreed upon levels and to align operating and capital expenditures with fairly stable and predictable revenue sources.

Safe, Clean Water and Natural Flood Protection Program (SCW)

A 15-year program resulting from voter approved special parcel tax initiative in November 2012.

Salaries

Salaries are defined as the amount of money paid to District employees for the performance of services.

San Felipe Appropriation

Provides funds necessary for extraordinary maintenance under the San Felipe contract.

Self-Insurance Appropriation

The term "self insurance" is used to define the retention by an entity of a risk of loss arising out of the ownership of property or from other causes and obligations, instead of transferring that risk to an insurance company. The Self-Insurance Appropriation provides funds to meet such losses.

Services and Supplies

Services and Supplies include expenditures for insurance, maintenance, materials and supplies, memberships, office expenses, training and seminars, travel, contract services, communications, equipment leases, and utilities.

Special District

An independent unit of local government organized to perform a single government function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes.

Supplemental Water Supply Appropriation

Provides funds for specific purposes such as water transfer, purchase, or reclamation.

Subsidence

The sinking of land surface that occurs when underground aquifers are over-pumped.

State Water Project

The State Water Project is a water and power system operated by the California Department of Water Resources.

Taxes

Compulsory charges levied by a government to finance services performed for the common benefit.

Transmittal Letter

Introductory letter to the Budget document that provides the District and public with information on the major accomplishments in the current year and plans, programs, and activities for the future Budget year.

Treated Water

Water which has been processed through a District water treatment plant.

TWIP

Treated Water Improvement Project is the former name of the Water Treatment Improvement Project

Water Treatment Improvement Project

Also referred to as WTIP, this project is upgrading the District's three drinking water treatment plants to meet future stringent state and federal water regulations, using ozonation as the primary means of disinfection.

Watershed

A watershed is the land area from which surface runoff drains into a stream channel, lake reservoir or other body of water, such as the San Francisco Bay. See Watershed and Flood Control Zones.

Watershed and Flood Control Zones

Much of Santa Clara County is divided into five watershed areas with corresponding flood control zones Each zone has separate programs, revenues and expenditures. They are: The Lower Peninsula Watersheds (Northwest Zone); the West Valley Watersheds (Central Zone); the Coyote Watershed (East Zone); and the Uvas/Llagas Watersheds (South Zone).

WMI

Watershed Management Initiative. The Santa Clara Basin Watershed Management Initiative, established in 1996 by the U. S. Environmental Protection Agency, the State Water Resources Control Board and The San Francisco Bay Regional Water Quality Control Board. A major aim of the WMI is to coordinate existing regulatory activities on a basin-wide scale, ensuring that problems are addressed efficiently and effectively.

Zone W-1

Encompasses the groundwater basin in northern Santa Clara County and small peripheral areas outside the groundwater basin, with the retail service areas of privately-owned public utilities and municipal water departments using water pumped from the groundwater basin. This area provides the security for General Obligation bonds. Zone W-1 comprises an area of approximately 290 square miles and includes all or portions of 13 of the County's 15 cities, plus some unincorporated territory.

Zone W-2

Encompasses the Santa Clara Valley groundwater basin north of Metcalf Road. It includes those groundwater producing facilities that benefit from recharge of the basin with local and imported water. A charge is levied for all groundwater extracted from this zone.

Zone W-3

Encompasses the Coyote and Llagas groundwater basins in the area from Metcalf Road in the north to just south of the City of Morgan Hill. Part of the County property tax within the 1 percent limit is allocated to this zone.

Zone W-4

Contains all of Zone W-2 and lands outside Zone W-2 that use or otherwise benefit from locally conserved water and from the importation and distribution of water from the South Bay Aqueduct. This area also receives an allocation of County taxes.

Zone W-5

Is comprised of the entire groundwater basin from Metcalf Road south to the Pajaro River. Charges are levied for all groundwater extracted from this zone.

Zone W-6

Represents the old Gavilan Water Conservation District and is within Zone W-5.

This page left intentionally blank.



Valley Water

Clean Water • Healthy Environment • Flood Protection

Santa Clara Valley Water District
5750 Almaden Expressway, San José, CA 95118-3686
Phone: (408) 265-2600 Fax: (408) 266-0271
www.valleywater.org

© 2019 Valley Water • 04/2019 BA • DRAFT 001